

MICHIGAN STRATEGIC FUND BOARD MEMBERS

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Rachael Eubanks

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Paul Gentilozzi

President, Gentilozzi Real Estate

Jeremy Hedges

*Chief of Staff, Talent and Economic
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Stephen Hicks

President and CEO, JM Longyear

Larry Koops

*Retired Community President for
Lakeshore Region, Fifth Third Bank*

Jeff Mason

*MSF President and Chairman; CEO:
Michigan Economic Development
Corporation*

Terrence J.L. Reeves

Attorney, Pepper Hamilton LLP

Terri Jo Umlor

*President, Springfield Commercial
Roofing*

Shaun W. Wilson

*Managing Partner, Cadence
LLC*

Wayne Wood

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Farm Bureau*

MICHIGAN STRATEGIC FUND (MSF) BOARD

Meeting Packet

July 2019

**MICHIGAN STRATEGIC FUND BOARD
FINAL MEETING AGENDA
July 23, 2019
10:00 am**

Public comment – Please limit public comment to three (3) minutes

Communications

A. Consent Agenda

Proposed Meeting Minutes – June 25, 2019
FOIA MSF Delegation of Authority – Mark Morante
Anderton Machining LLC – Renaissance Zone Revocation – Kathryn Smith
Airgas USA LLC – Request for Agreement Extension – Kathryn Smith
Trident Corktown, L.L.C. – MCRP Amendment – Emanuel Odom
600 E. Michigan-Lansing, LLC – MCRP Amendment – Katie Adkins
Detroit Entrepreneur Development, LLC – MCRP Amendment – Julius Edwards
MCRP Guidelines Amendment – Julius Edwards

B. Business Investment

a. Business Growth

Willow Run – Limited Partner Consents – Ryan Hundt
Knauf Insulation, Inc. – SESA Exemption and MBDP Grant – Erik Wilford
Mack & Conner Redevelopment Project – Brownfield Act 381 Work Plan – Jeremy Webb

b. Capital Access

Holland Home – Bond Authorization – Chris Cook
United States Steel Corporation – Bond Authorization – Chris Cook

C. Community Vitality

Vicksburg Mill – Transformational Brownfield Plan – Rob Garza
Holland Parking Deck Project – Brownfield TIF Amendment – Rob Garza
The Mid at 3750 Woodward Project – Brownfield TIF Amendment and MBT Amendment – Rob Garza
Soma Redevelopment – Brownfield Act 381 Work Plan – Brittany Hoszkiw

D. Administrative

Evigia Systems, Inc. – Conversion and Profit-Sharing Request – Dean Wade

E. Informational

Quarterly Reports



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE CHIEF COMPLIANCE OFFICER
LANSING

KEVIN FRAN CART, ESQ.
CHIEF COMPLIANCE OFFICER

MEMORANDUM

July 9, 2019

TO: Honorable Gretchen Whitmer
Governor and Chairperson of the State Administrative Board.

Jeff Mason
Chairperson
Michigan Strategic Fund Board

FROM: Kevin L. Francart
Chief Compliance Officer

RE: FY2019 Q3 Report of the Chief Compliance Officer.

The Chief Compliance Officer is required to report quarterly to the State Administrative Board and the Michigan Strategic Fund Board regarding compliance with internal policies and procedures and with applicable laws related to 21st century jobs fund programs. I am pleased to report that all compliance matters addressed during the third quarter of the 2019 fiscal year were either successfully resolved, are being appropriately addressed, or are undergoing review and are currently being evaluated.

With respect to the Michigan Strategic Fund Board, the Michigan Strategic Fund Act requires the Chief Compliance Officer to review and evaluate compliance with internal policies and procedures along with applicable state and federal law.

The Chief Compliance Officer assisted the MSF with amending the MSF Background check policy; amending the MBDP guidelines; establishing Micro-MBDP guidelines; establishing Jobs Ready Michigan program guidelines; and, amending the CRP guidelines. The Chief Compliance Officer assisted MSF and MEDC staff in ensuring the economic incentives for FCA were authorized by statute and Board policy. The Chief Compliance Officer assisted a Board Member with a conflict of interest issue due to membership on a recipients Board of Directors, appropriate notice and screening were in place. As reported previously, because of staffing changes the site visit guidelines were modified. Because of the staffing changes the site visit guidelines were changed by the MEDC compliance section to no longer require a minimum number of site visits. Site visits are being performed pursuant to the site visit guidelines. The Chief Compliance Officer provided informal advice regarding various issues arising this quarter concerning such topics as the breadth of delegated Board authority, authorized use of 21st century job fund funds, and compliance with established Board policy and limitations.

**MICHIGAN STRATEGIC FUND
FINAL MEETING MINUTES
June 25, 2019**

Members Present

Paul Gentilozzi
Jeremy Hendges
Larry Koops
Andrew Lockwood (on behalf of Treasurer Eubanks)
Jeff Mason
Shaun Wilson

Members joined by phone

Carl Camden
Terrence J.L. Reeves
Terri Jo Umlor
Wayne Wood

Member Absent

Stephen Hicks

Mr. Mason called the meeting to order at 10:00 am.

Mr. Mason introduced the following legislative staff members: Tony Buffa on behalf of Senator Curt VanderWall and Joe Vacante on behalf of Representative Michele Hoitenga in support of the Cadillac Lofts, LLC project.

Public Comment: Mr. Mason asked that any attendees wishing to address the Board come forward at this time. No public comment.

Communications: Rhonda Bishop, Board Liaison, informed the Board that the Brownfield Act 381 Work Plan resolution for the Cadillac Lofts, LLC project was inadvertently omitted from the final board packet and was provided to them at the table.

A. CONSENT AGENDA

Resolution 2019-088 Approval of Consent Agenda Items

Mr. Mason asked if there were any questions from the Board regarding the items under the Consent Agenda. There being none, Larry Koops motioned for the approval of the following:

Proposed Meeting Minutes – May 21, 2019

Gerber Products Company – Agricultural Processing Renaissance Zone Revocation – **2019-089**

Vicount Industries Inc. – Tool & Die Renaissance Recovery Zone Revocation – **2019-090**

Thomson Reuters (Tax & Accounting) Inc. – MBDP Grant Amendment – **2019-091**

Gallagher-Kaiser Corporation – MBDP Grant Reauthorization – **2019-092**

Fulton and Seward, L.L.C. – MCRP Loan Participation Agreement Amendment – **2019-093**

Bridge and Turner, LLC – MCRP Loan Participation Agreement Amendment – **2019-094**

Third and Grand LLC – MCRP Loan Participation & Servicing Agreement Amendment – **2019-095**
The Landing Development Group, LLC (Founder’s Landing Project) – Brownfield MBT Credit
Amendment – **2019-096**
MSF Financial Officer – Election of Authorized Delegate – **2019-097**

Andrew Lockwood seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

B. BUSINESS INVESTMENT

B1. Business Growth

Resolution 2019-098 KLA Corporation – MBDP Grant / Prior Award Recession and New Award Approval

Matthew Chasnis, Business Development Project Manager, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2019-098. Paul Gentilozzi seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

Resolution 2019-099 AKASOL, Inc. – MBDP Grant

Julia Veale, Business Development Project Manager, provided the Board with information regarding this action item. Following brief discussion, Paul Gentilozzi motioned for the approval of Resolution 2019-099. Shaun Wilson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

C. COMMUNITY VITALITY

Resolutions 2019-100 & 2019-101 Cadillac Lofts, LLC and City of Cadillac Brownfield Redevelopment Authority (Cadillac Lofts Redevelopment Project) – MCRP Grant and Brownfield Act 381 Work Plan

Dan Leonard, Senior Community Assistance Team Specialist, provided the Board with information regarding these action items. Following brief discussion, Jeremy Hedges motioned for the approval of Resolution 2019-100. Andrew Lockwood seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.** Larry Koops then motioned for the approval of Resolution 2019-101. Paul Gentilozzi seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused**

Resolution 2019-102 City of Detroit Brownfield Redevelopment Authority (Proposed Chemical Bank Headquarters Project) – Brownfield Act 381 Work Plan

Brittney Hoszkiw, Senior Community Assistance Team Specialist, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2019-102. Shaun Wilson seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

ADMINISTRATIVE

Resolution 2019-103 MSF Freedom of Information Act Policy

Mark Morante, MSF Fund Manager, provided the Board with information regarding this action item. Following brief discussion, Larry Koops motioned for the approval of Resolution 2019-103. Andrew Lockwood seconded the motion. **The motion carried: 10 ayes; 0 nays; 0 recused.**

Mr. Mason adjourned the meeting at 10:44 am.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund (“MSF”) Board

From: Mark Morante, Fund Manager

Subject: Freedom of Information Act Policy and Procedures

Request

Michigan Economic Development Corporation (“MEDC”) staff is requesting that the Michigan Strategic Fund (“MSF”) Board approve delegate authority to the MSF President to respond to appeals of denials issued in response to records requests made under the Freedom of Information Act (the “Request”).

Background

Public Act 442 of 1976, MCL 15.231 *et seq.*, established FOIA to provide the general public with access to the records of public bodies. The MSF is a public body under FOIA. The FOIA requires public bodies to take certain actions to implement the requirements of FOIA. In order to ensure compliance with the requirements of the FOIA, MEDC staff recommends that the MSF Board amend the Strategic Fund Compiled Resolutions to delegate authority to the President of the MSF to respond to written appeals of fees or records request denials made by the Freedom of Information Act Coordinator.

Recommendation

MEDC Staff recommends the MSF Board approve the Request.

MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board Members

From: Kathryn Smith, Compliance Analyst

Subject: Existing Geographic Renaissance Zone
Renaissance Zone Revocation
Anderton Machining, LLC
City of Jackson, Jackson County

Request

Michigan Economic Development Corporation (“MEDC”) Staff requests that the Michigan Strategic Fund (“MSF”) Board approve the revocation of Anderton Machining, LLC’s (the “Company”) Geographic Renaissance Zone. The Renaissance Zone commenced January 1, 2008 and currently set to expire on December 31, 2019.

Background

The Production Engineering Subzone within the City/County of Jackson Renaissance Zone has been in effect since 2008 and was set to expire on December 31, 2022. On September 22, 2015 the MSF approved the transfer of the Renaissance Zone from Production Engineering Inc. to the Company. The term of the Renaissance Zone was reduced from December 31, 2022 to December 31, 2019. As a condition to receiving the Renaissance Zone, the Company entered into a development agreement (the “Agreement”) with the MSF, within which the Company committed to maintaining their employment level of 50 full-time (FT) jobs, creating an additional 30 FT jobs at the site by June 30, 2018, and maintaining the total number of 80 FT jobs through the term of the Agreement.

Based on information received by MEDC, the Company has reported fifty (50) FT jobs at the site as of December 31, 2018. The MEDC notified the Company of their non-compliance and initiated the 90-day cure period on May 16, 2019. The Company has elected to forgo their cure period and requested that the MSF terminate the Renaissance Zone.

Recommendation

MEDC Staff recommends that the MSF Board approve the associated resolution to approve the revocation of Anderton Machining, LLC’s Geographic Renaissance Zone. All properties will go back on the tax rolls effective in the tax year 2019.

MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board Members

From: Kathryn Smith, Compliance Analyst

Subject: Existing Agricultural Processing Renaissance Zone
Renaissance Zone Extension to Execute Agreement
Airgas USA, LLC
Riga Township, Lenawee County

Request

Extension to execute Agreement.

Background

On February 27, 2018 the Michigan Strategic Fund (MSF) approved the transfer of an Agricultural Renaissance Zone designation from Airgas Carbonic, Inc. to Airgas USA, LLC. The Renaissance Zone approval required that an Agreement be entered into between Airgas USA, LLC and the MSF by May 27, 2018.

Due to administrative limitations, all parties have been unable to enter into the Agreement. The project scope parameters remain the same as previously approved.

Recommendation

MEDC Staff recommends that the deadline provision of the May 27, 2018 approval be extended to December 31, 2019.

MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board

From: Emanuel M. Odom, MCRP Program and Investment Specialist

Subject: Request for Approval of a Michigan Community Revitalization Program Other Economic Assistance Operating Agreement Amendment #1
Trident Corktown Investment, LLC

Request

Trident Corktown Investment LLC (“Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Other Economic Assistance Operating Agreement (“Agreement”) and any related ancillary agreements. The amendment request dated June 7, 2019 includes a request to extend the Milestone Three due date to December 1, 2019.

Background

The Michigan Strategic Fund Board approved a \$6,900,000 Michigan Revitalization Program Other Economic Assistance – Performance Based Equity Investment on September 27, 2016 for Trident Corktown and Trident Historical Checker, L.L.C. or related entities in the historic Corktown area of the City of Detroit. The project includes the redevelopment of the three-story historic Checker Cab building into a mixed-use building containing approximately 52 residential units, first floor commercial space, and approximately 95 parking spaces; new construction of a 4-story, mixed-use building containing approximately 45 residential units and first floor commercial space; new construction of a five-story mixed-use building with approximately 40 residential units and first floor commercial space; new construction of 2, three-story buildings on either side of the existing UFO Factory event center building containing approximately 10 residential units and first floor commercial space; and new construction of 4, three-story townhomes.

On May 16, 2017, the MSF Fund Manager approved a 120-day extension allowed under the original award.

The amendment is needed to allow additional time to meet the Project Completion Requirements for Milestone Three. Through April 30, 2019, the project is 91% complete and the minimum eligible investment has been fully invested. The anticipated date for Project Completion Requirements is December 1, 2019. The reasons for the request for additional time include unexpected underground conditions that delayed site preparation, foundation redesigns, subcontractor staffing issues caused by market activity, delays caused by weather and inspections by the City of Detroit. Staff is recommending that the amendment allow an additional 90 days extending the Milestone Three due date to March 31, 2020 because of the potential for additional delays and to avoid an additional amendment.

Milestone One and Two have been completed and the company is current with reporting requirements.

Recommendation

MEDC staff recommends approval of an amendment to the MCRP Operating Agreement and any related ancillary agreements to extend the Milestone Three due date to March 31, 2020, allowing additional time beyond the date requested by the Company.

MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board

From: Katie Adkins, Commercial Real Estate Investment Manager

Subject: Request for Approval of a Michigan Community Revitalization Program Grant Agreement Amendment #2
600 E. Michigan-Lansing, LLC

Request

600 E. Michigan-Lansing, LLC (“Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program Grant Agreement (“Agreement”) and any related ancillary agreements. The amendment request dated June 26, 2019, includes a request to add Block 600, LLC as a Co-Applicant.

Background

The Michigan Strategic Fund Board approved a \$1,500,000 MCRP Grant Award on December 18, 2018, to the Company under the neighborhood and commercial corridor food initiative funds for the purpose of supporting the redevelopment of approximately 4.2 acres of blighted, contaminated property into a four-story, mixed use building consisting of an urban market, residential units and the footings and pad foundation for the hotel resulting in a capital investment of \$26,079,973.

An amendment to the project was approved on April 23, 2019, to approve the revision of the MCRP award percentage of Eligible Investment to be up to the lesser of 12% of Eligible Investment or \$1,500,000 after excluding the MSF eligible activities under the Brownfield Act 381 Work Plan and Tenant Improvements reimbursed by the Tenant.

The above project is also located in a designated Opportunity Zone and in order for the development team to utilize the Federal Opportunity Zone incentive and its associated tax benefits the project had to create an additional special purpose entity (SPE), Block 600, LLC which is owned by Gillespie Group Manager Inc, Patrick K. Gillespie Trust and Jennifer E. Gillespie Trust. Block 600, LLC will incur costs related to the project through a cost sharing agreement with 600 E. Michigan-Lansing, LLC. 600 E. Michigan-Lansing, LLC will continue to hold title to the property, but in order to use the Opportunity Zone incentive, Block 600, LLC, will need to be allocated costs in which they invest in. Therefore, at project completion, total project costs will be separated into two entities and in order to meet the minimum eligible investment threshold, both entities will need to be applicants or grantees under the MCRP Grant Agreement.

The company is current with reporting requirements and the first progress report is due October 1, 2019, and Milestone One is due December 31, 2019.

Recommendation

The MEDC staff recommends approval of an amendment to the MCRP Grant Agreement and any related ancillary agreements to add Block 600, LLC as a Co-Applicant, per the Company’s request dated June 26, 2019.

MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board

From: Julius L. Edwards, Real Estate Investment Manager

Subject: Request for Approval of a Michigan Community Revitalization Program
Other Economic Assistance – Loan Participation Agreement Amendment #2
Detroit Entrepreneur Development, LLC

Request

Detroit Entrepreneur Development, LLC (“Company”) is requesting approval of an amendment to the Michigan Community Revitalization Program (MCRP) Other Economic Assistance Loan Participation Agreement and any related ancillary agreements (“Agreement”). The amendment request is to extend the “Project Completion” and “Certification of Conversion” milestones to September 30, 2019.

Background

The MSF Board approved a \$1,300,000 MCRP Other Economic Assistance Award on October 25, 2016 for the Company for the purpose of redeveloping a 0.28 acre site in northwest downtown Jackson into an approximately 46,280 square foot four-story mixed-use building. Upon completion, the building will consist of approximately 30 market rate residential rental units and 8,500 square feet of commercial space.

The MSF Board on May 21, 2019 approved a request to amend the existing MCRP Agreement to reduce the “Minimum Eligible Investment” requirement from \$5,200,000 to \$5,132,000, as well as, extend the “Project Completion” and “Certification of Conversion” milestones to June 30, 2019. This amendment has not been executed.

Staff is requesting MSF approval to amend the Agreement to extend the “Project Completion” and “Certification of Conversion” milestones to September 30, 2019 while maintaining the authority to reduce the “Minimum Eligible Investment” requirement to \$5,132,000. Reducing the “Minimum Eligible Investment” could require a principal repayment of up to \$17,000 on the original MCRP Award of \$1,300,000.

After further research by staff it was determined that the need to reduce the “Minimum Eligible Investment” and the requirement for a paydown on the original MCRP award was being driven by language within the Board approved MCRP Guidelines which caused a disparity in the treatment of “contractor profit” based on how the line item is labelled. This issue will potentially be addressed through amendment of the MCRP Guidelines, which is being considered by the MSF Board at the same meeting as this project amendment request. Therefore, although the minimum eligible investment was

previously reduced, if the eligible investment as defined in the MCRP guidelines is determined to be higher than that new minimum, repayment of the \$17,000 may not be necessary.

The Company has completed the project as presented and is current on all reporting requirements and payments aside from the milestone being requested to be amended.

Recommendation

MEDC staff recommends approval of an amendment to the MCRP Other Economic Assistance Loan Participation Agreement and any related ancillary agreements to extend the “Project Completion” and “Certification of Conversion” milestones to September 30, 2019.

ORIGINAL APPROVAL MEMO

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

MEMORANDUM

Date: October 25, 2016

To: Michigan Strategic Fund Board

From: Dominic Romano, Community Assistance Team Specialist
Lisa Edmonds, Brownfield and CRP Program Specialist
Jim Davis, Underwriting and Incentive Structuring Specialist

Subject: Detroit Entrepreneur Development, LLC. - Request for Approval Michigan
Community Revitalization Program Loan

Request

The proposed project will be undertaken by Detroit Entrepreneur Development, LLC. The project will redevelop a single 0.28 acre site located at 209 West Louis Glick Highway in the City of Jackson, Michigan. The project is located in Downtown Jackson and qualifies for a Michigan Community Revitalization Program (MCRP) award because the site is a facility.

Detroit Entrepreneur Development, LLC is requesting approval of a \$1,300,000 MCRP Other Economic Assistance award in the form of a Performance-Based Loan Participation.

The City of Jackson has been an impacted community where the rental housing market has been underserved. Market research supported by the Michigan State Housing Development Authority has shown the need for additional rental opportunities for the growing workforce in Jackson. This project addresses this housing need, however, a third party appraisal of the proposed completed project shows a value of \$4,040,000, which is more than \$1,300,000 less than the estimated developments costs of \$5,385,838 to complete construction. The development team has been able to secure approximately \$3.2 million traditional senior debt and is contributing another \$854 thousand (15.9%) in owner equity to the project. The remaining gap is being filled with a MCRP Loan Participation award of \$1,300,000. The

MCRP award will assist in maintaining the financial stability of the project and allow the development team to achieve an acceptable projected return of around 10%. The project also supports significant job creation, addresses brownfield conditions on the site, and will act as a catalyst for additional projects in the downtown. The detailed structure of the MCRP award is provided in **Appendix A**.

The Applicant anticipates that the project will result in total capital investment of \$5,385,838 along with the creation of approximately 39 permanent full-time equivalent jobs with an average hourly wage of \$26.00.

Background

The project will redevelop a 0.28 acre, City of Jackson owned, parcel in northwest downtown Jackson. The City has previously completed demolition activities and will be building a parking lot on adjacent land to support this newly constructed building on the site. The City is also supporting the redevelopment with a Commercial Rehabilitation tax abatement spanning nine years with an approximate projected value of \$516,042. The Detroit Entrepreneur Development, LLC is primarily owned by individuals who want to act as a catalyst for downtown development in Jackson. They propose to construct approximately a 46,280 square foot, 4 story, mixed-used, urban infill project containing approximately 8,500 square feet of commercial space on the first floor and approximately 30 market rate apartments making up approximately 29,655 square feet. The developer has a Letter of Interest for the entirety of commercial space on the first floor for five years with a to-be-announced technology company. The site is a contaminated facility and will remediate the site following the due care plan submitted to the Michigan Department of Environmental Quality (DEQ). The developer has spent approximately \$150,000 to date on predevelopment costs. The developer plans to acquire the property on October 20, 2016 and begin construction by November 1, 2016. The development team has never received prior assistance from the MSF but has successfully completed other projects, one being the Grand River Brewery in Jackson.

Appendix B addresses the programmatic requirements and **Appendix C** includes a project map and renderings.

Recommendation

MEDC staff recommends approval of the following:

- a) MCRP Other Economic Assistance Performance-Based Loan Participation in the amount of \$1,300,000 for Detroit Entrepreneur Development, LLC.

APPENDIX A

FINANCING OPPORTUNITY – MCRP LOAN PARTICIPATION

SUMMARY OF DEVELOPMENT SOURCES:

Bank Share	\$3,232,000	60.01%
MSF Share	\$1,300,000	24.14%
Developer Equity	\$853,838	15.85%
TOTAL	\$5,385,838	100%

LOAN FACILITY

MSF Facility

Borrower:	Detroit Entrepreneur Development, LLC or a Related Entity
Lender:	Dart Bank
Total Amount of Loans:	Currently Estimated at \$4,532,000
Lender Share:	Currently Estimated at \$3,232,000
MSF Share:	Up to the lesser of 25% “Eligible Investment” or \$1,300,000 <i>Staff is recommending deviation from our lending parameters and advancing 25% of “Eligible Investment”. The recommended increase is to reduce senior debt burden on the project and provide additional financial flexibility.</i>
Term:	To match that of Lender, anticipated to be 60 months
Amortization:	To match that of Lender, anticipated to be 300 months
Interest Rate:	On the MSF Share anticipated to be 1.00% per annum.
Repayment Terms:	To match that of Lender, currently anticipated to be 24 months of interest only payments, followed by principal and interest payments. <i>Payments on the MSF Share of the loan will be limited to a level that will allow the project to maintain a 1.20x debt service coverage ratio.</i>

- Collateral:** To match that of Lender, currently anticipated being a mortgage lien on the property, and assignment of leases and rents. MSF share of collateral will be subordinated to that of the Lender.
- Guarantee:** To match that of Lender, currently anticipated to be the limited unsecured personal guarantees of the members of Detroit Entrepreneur Development, LLC. The MSF share of guarantees will be subordinated to that of the Lender.
- MSF Fees:** The MSF shall be paid a one-time fee equal to one percent of the MSF's award amount. The Lender may charge the borrower for this fee.
- Funding:** The MSF will fund up to \$1,300,000 to be disbursed following closing of the Loan and other performance criteria.
- Other Conditions:** Approval will be contingent upon receipt of the following prior to closing or as a project Milestone:
- Executed Construction Documents (includes "Guaranteed Maximum Price" construction contract)
 - A minimum equity contribution of \$853,838

MEMORANDUM

Date: July 23, 2019
To: Michigan Strategic Fund Board
From: Julius L. Edwards, Real Estate Investment Manager
Subject: Request to Amend Michigan Community Revitalization Program Guidelines

Request

MEDC staff requests approval to amend the Michigan Community Revitalization Program (“MCRP”) Guidelines to incorporate a minor change in the definition of “Eligible Investment” that will make a “Construction Management Fee” paid to the construction contractor(s) an eligible cost. This change will provide further clarity to the MCRP Guidelines, as well as eliminate a current disparity in the treatment of construction contractor(s) profit/fee. As it currently stands if a construction contractor(s) were to label its profit/fee as a “Construction Management Fee” as opposed to “Builder Profit” the profit/fee would be considered an “Ineligible Investment”. Below is the section that staff is proposing to amend as well as the proposed change that is highlighted and in ALL CAPS:

ELIGIBLE INVESTMENT

An eligible investment, is defined as at least one, or any combination of, the following expenditures which may have occurred prior to the MSF approval of the application and has not been completely reimbursed to, or paid for on behalf of, the applicant. Collectively these expenditures are eligible investments and are referred to as “Hard Costs”:

- a. Any fees or costs for alteration, construction, improvement, demolition, or rehabilitation of buildings of an approved project, including utility tap fees, and fees and costs paid to a governmental entity for permits, zoning, and inspections;
- b. Any fees or costs for site improvements to an approved project, including, a surface parking lot, parking garage, parking ramp, utilities and public infrastructure, such as roads, curbs, gutters, sidewalks, landscaping, lighting, grading and land balancing;
- c. Any fees or costs for the addition of machinery, equipment or fixtures to an approved project; or
- d. Professional fees or costs for an approved project for architectural services, engineering services, Phase I environmental site assessment, Phase II environmental site assessment, or Baseline Environmental Assessment, or surveying services.
- e. Professional fees associated with obtaining a third-party certification for environmentally sustainable design, building materials and/or development practices.

The MSF or MSF Fund Manager, on its behalf, may impose additional terms and conditions

involving any Hard Costs that meet eligibility for reimbursement under any tax increment financing, including requiring those costs to be repaid to the MSF, or excluding any such costs from Hard Costs.

In no event shall any of the following, which are collectively referred to as “Soft Costs”, be deemed any part of the Hard Costs:

- a. acquisition fees or costs for real property,
- b. developer fees or costs,
- c. closing fees or costs,
- d. legal fees or costs,
- e. professional fees or costs (other than those included above as part of the Hard Costs),
- f. title commitment fees or costs,
- g. title insurance fees, premiums or costs,
- h. management fees or costs (including project management and RELATED-PARTY construction management),
- i. appraisal fees or costs,
- j. bank or other lender financing, interest, or inspection fees or costs,
- k. leasing or sales commission fees or costs,
- l. shared savings, or fees or costs arising from penalties or other reductions in payment from any contract for improvements to the Project,
- m. performance bond and other risk contingency fees and costs,
- n. marketing fees or costs,
- o. zoning fees or costs (other than those zoning fees or costs paid to a governmental entity included above as part of the Hard Costs),
- p. taxes, or
- q. hazard, liability or any other insurance fees and costs.

Background

The MCRP was created to promote community revitalization that will accelerate private investment in areas of historical disinvestment, contribute to Michigan’s reinvention as a vital, job-generating state, foster redevelopment of functionally obsolete properties, reduce blight, support the rehabilitation of historic resources, and protect the natural resources of the State. Under the Michigan Strategic Fund Act, MCL 125.2001 (the “Act”), Chapter 8C, Section 90B, the MSF must approve any program guidelines to implement the program. The current MCRP Guidelines (“Guidelines”) were approved by the MSF Board at their meeting on December 21, 2011 (Resolution 2011-185), and have been amended/restated seven times, most recently in April of 2019, (Resolution 2019-061).

Recommendation

MEDC Staff recommends approval of the amended MCRP Program Guidelines, with immediate effect.

MEMORANDUM

Date: July 23, 2019
To: Michigan Strategic Fund (“MSF”) Board Members
From: Ryan Hundt, Regional Director, Retention and Growth
Subject: Willow Run Project

Request

The MSF is a limited partner in Willow Run Arsenal of Democracy Landholdings Limited Partnership (“WRAD”). WRAD was formed for the purpose of acquiring the former GM Willow Run Powertrain Plant and surrounding parcels in Ypsilanti Township, Michigan toward facilitating the transformation of the site by American Center for Mobility (“ACM”) to a connected and automated technology, research, validation and testing facilities (“Project”). ACM currently leases the site from WRAD under a long-term ground lease.

This is a request from WRAD for consent by the MSF to take all actions necessary and appropriate to transfer ownership of the lands to ACM and subsequently proceed to liquidate, dissolve and wind-up WRAD.

Background

In March 2016, the MSF Board approved an initial \$3 million for start-up costs and expenses for the Project. In July 2016, the MSF Board approved an additional \$17 million equity investment into WRAD for the purpose of completing funding to facilitate the closing of the acquisition of the property, including necessary due diligence, support for ongoing operational costs of Project needs, site design preparation costs and expenses, and to begin detailed plans for the construction and operations for the build-out of the Project.

Over the course of the summer and into the fall of 2016, the endeavor to acquire the lands was a collaboration of the tireless efforts of the MEDC, MSF, WRAD, ACM, the Michigan Department of Environment, Great Lakes and Energy (“EGLE”, formerly MDEQ), the Michigan Department of Transportation, Racer Trust (the then owner of the land), Ypsilanti Township, Ypsilanti Community Utilities Authority, Washtenaw County, the US Environmental Protection Agency, and many other local and state resources.

In November 2016, WRAD purchased the site and simultaneously transferred possession to ACM under a ground lease. ACM continued its vision and plans for construction of Phase 1A of the Project. In April 2017, the MSF Board approved an additional \$15 million equity investment into WRAD to continue support for Phase 1A construction activities for the Project. The MSF investment into WRAD for the Project totals \$35 million.

The Phase 1A activities consisted of basically five (5) components. All five (5) components were completed by ACM as required under the performance-based milestones to receive funding from WRAD, and in accordance with EGLE and EPA requirements:

1. The Highway Speed Loop component: This component included the design and construction of, among other things, an over two (2) mile roadway loop, a curved tunnel of approximately 700 feet,

- a full size freeway interchange with bridge structures and ramps, an intelligent transportation testing support system, and security and fencing features, along with landscaping and parking lots;
2. The Campus Utility component. This component consisted of the design and construction of the primary utility systems for the Project, including those systems for water, sanitary, natural gas, cable and electrical systems;
 3. The Electrical Conversion component. This component converted an existing DTE electrical substation into a system to provide the power needs for the test facilities and the future electrical needs of the operations' facility and planned campus technology park area;
 4. The first phase of the Campus Operations Buildings component. This component consisted of rehabilitating the then existing site maintenance building (repairing and updating the exterior and interior, updating the electrical, fire suppression, and HVAC systems, and designing and constructing a block of new garages and vehicle lab space to accommodate material storage and short term rental use by testers); and
 5. The Storm Water/Demolition component. This component involved coordination with, and payment to, RACER Trust to complete certain stormwater and drain work, as well as completion of demolition work of extraneous remaining structures associated with the former GM plant.

Current Status and Future ACM Project Plans

With the successful build-out of the Phase 1A components, ACM is in the design phase for the next components of the Project. These currently include a Rural Road Test Environment, a Residential Road Test Environment as well as a roadway and associated storm water plan to support the Technology Park Campus area along Airport Drive, followed by construction of the Technology Park Campus.

The Rural Road Test Environment is being developed in response to market demand. This component is to provide the environment to validate vehicle operations against the road conditions common to secondary and gravel road driving. This includes environments suitable for off-road vehicle operations common to defense industry needs. The Residential Road Test Environment is being constructed to validate vehicle operations within the confines of narrow streets, multiple curb-cuts, parked vehicles and pedestrian interplay. These new environments allow testing from freeway to urban to rural to driveway; a one of a kind all-conditions, all-weather, test facility. The above environments are in design phase and are expected to be completed by the end of 2019.

Additionally, ACM will be utilizing approximately 20 acres of land to begin outfitting the Technology Park Campus which will be a combination of office facilities, vehicle laboratories, convening space for on-site conferences and ACM's office and experience center. ACM is currently in discussions with potential partner developers for the Technology Park Campus. The roadway and associated infrastructure work will be underway in 2019 with a groundbreaking and building construction anticipated by the second quarter of 2020.

Future WRAD Actions

The current funding arrangement with ACM requires repayment to WRAD of the entire \$35 million investment for the Project, plus interest. Structured payments are currently scheduled to begin in 2025 and continue over a 30-year period.

The MSF is the sole limited partner in WRAD. As part of the limited partnership agreement ("LPA"), the LPA requires WRAD to obtain MSF's consent for certain partnership actions, including transferring all or substantially all WRAD assets, as well as liquidating, dissolving and winding up WRAD.

With the completion of Phase 1A activities, WRAD desires to position ACM with ownership of the Project lands to enable ACM to pursue future phases of development and operation, including possible financing and lease opportunities as the fee title owner. The transfer of the lands will also involve maintaining ACM's repayment obligations, along with requiring ACM to grant a mortgage and assignment of leases and rents to WRAD. Upon completion of the transfer, WRAD will subsequently proceed with all actions necessary to liquidate, dissolve and wind-up its operations, which will include the distribution to the MSF of the ACM receivable and collateral.

Recommendation

MEDC Staff recommends the MSF consent to the actions outlined in the proposed resolution, including to permit WRAD to take all actions deemed necessary and appropriate to carry out:

1. The transfer of ownership of the Project lands it acquired, as well as effectuating assignments, amendments and termination of agreements arising out of the Project; and
2. The liquidation, dissolution and wind-up WRAD in accordance with the LPA, including distribution of the ACM receivable and collateral to the MSF.

MEMORANDUM

Date: July 23, 2019
To: Michigan Strategic Fund (“MSF”) Board Members
From: Erik Wilford, Business Development Project Manager
Subject: Knauf Insulation, Inc. (“Company” or “Applicant”)
Michigan Business Development Program (“MBDP”) Grant Request
State Essential Services Assessment (“SESA”) Exemption Request

Request

This is a request from the Applicant for a \$204,000 MBDP performance-based grant as outlined in the attached Term Sheet (“MBDP Request”). Additionally, the Applicant is requesting a 100% SESA Exemption for up to 15 years valued at up to \$708,325 (“SESA Request”). This project involves the creation of 34 Qualified New Jobs and a capital investment of up to \$32,485,000, of which \$31,135,000 Eligible Personal Property, in the City of Albion, County of Calhoun.

Background

A subsidiary of its German parent Knauf Insulation GmbH, the Company was formed in Shelbyville, Indiana in 1978 and is a multinational producer of building materials and construction systems. The Company has production sites in Alabama, California, Indiana, Michigan and West Virginia. Its parent has sales over \$1.5 billion and is the fastest growing insulation manufacturer in the world with a wide range of products to meet a growing demand for energy efficiency and acoustic performance in new and existing homes, commercial buildings and industrial applications.

The Company intends to expand its new product line, White Blowing Wool, which will require new machinery and equipment for the conversion. Its current facilities in Albion, Michigan as well as Indiana and Alabama have the capacity to expand to produce the product. The Company’s Indiana facility is also its North American headquarters. Incentive assistance is necessary to achieve a return on investment that makes sense for the expansion at the Michigan facility. Additionally, the Company has considered outsourcing the work to a third party manufacturer outside of the United States. The third party consideration is due in part to the significant training costs borne from a customized and lengthy process covering 6-12 months at an expense of \$1.2 million or more estimated by the Company for the new hires. The expansion of its Michigan facility will result in the creation of 34 new jobs and \$32,485,000 in investment in the City of Albion, Calhoun County.

In addition to MSF support, the City of Albion anticipates hosting a job fair for talent recruitment.

Considerations for SESA

- a) The Applicant is an “Eligible Claimant,” as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e).
- b) The Eligible Investments will be made after MSF approval and completed within three years of July 23, 2019 (“Commencement of the Project”).
- c) The Company has agreed to pay a SESA Exemption administrative fee of \$7,083.25 (1% of estimated worth) payable to the Michigan Economic Development Corporation upon completion of the first performance milestone.
- d) The 15 year SESA Exemption for the Company is estimated to be worth \$708,325. The requested exemption breaks down as follows:

	Years 1 – 5 (2.4 mills)	Years 6 – 10 (1.25 mills)	Years 11-15 (0.9 mills)	Total
State ESA Exemption Amount	\$373,620	\$194,595	\$140,110	\$708,325

Recommendation

MEDC Staff recommends approval of the following:

- Approval of the MBDP Request as outlined in the attached resolution; and
- Approval of the SESA Request for a maximum of \$31,135,000 up to 15 years in investments in Eligible Personal Property.

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

EXHIBIT A
MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Incentive - Term Sheet - Summary

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP").

Date: June 27, 2019

Company Name: Knauf Insulation, Inc. and/or its affiliates and subsidiaries.

Project Location: 1000 East North Street
Albion, Michigan 49224

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to \$204,000

Base Employment Level: At least 156

Qualified New Jobs: At least 34

Municipality Supporting Project: City of Albion has agreed to provide staff, financial or economic assistance in support of the project.

Start Date for Measurement of Creation of Qualified New Jobs: June 18, 2019 (offer acceptance)

Term of the Agreement: May 31, 2022

Milestone Based Incentive: Disbursements will be made over a 2 year period and will be performance based on job creation as follows:
Milestone 1: \$120,000 for the creation of 20 jobs.
Milestone 2: \$84,000 for the creation of 14 jobs.

The detailed numbers, and statutorily required repayment and reporting provisions, will be reflected in the subsequent transaction documents.

Acknowledged as received by:

Knauf Insulation, Inc.

By:



Printed Name:

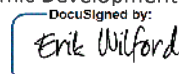
JEFFREY BRISLEY

Its:

SVP - Business Development

Michigan Economic Development Corporation

By:

DocuSigned by:


Printed Name:

Erik Wilford

Its:

Business Development Project Manager

June 27, 2019-Knauf Insulation, Inc.

MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board

From: Jeremy Webb, Senior Business Development Project Manager
Rob Garza, Senior Brownfield and MCRP Program Specialist

Subject: Request for Approval of an Act 381 Work Plan
Mack and Connor Redevelopment Project

REQUEST

The City of Detroit Brownfield Redevelopment Authority (“DBRA”) is requesting approval of a Brownfield Act 381 Work Plan including local and school tax capture for MSF eligible activities in the amount of \$92,853,618, to support a business development project that will undergo significant redevelopment activities to prepare for and support the Mack Engine Plant (“MACK”) expansion on 286 parcels that encompass approximately 387 acres of land and designation of a portion of the eligible property as a Targeted Redevelopment Area (“TRA”). The DBRA anticipates that the project will result in a total capital investment in the amount of \$1,764,059,000, consisting of \$1,614,059,000 by FCA US LLC (“FCA”) and \$150,000,000 by the DBRA, along with the creation of approximately 3,850 permanent full-time equivalent jobs with an average hourly wage of \$19.25.

TAX CAPTURE SUMMARY

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on July 16, 2019. There are three distinct groups of eligible properties included in this Work Plan. The northern parcel group has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (“EGLE”) on June 26, 2019 or adjacent and contiguous. The central parcel group has been designated as a TRA by the City of Detroit on June 16, 2019. The southern parcel group has been determined to be a facility as verified by EGLE on June 26, 2019, deemed functionally obsolete as verified by a Michigan Master Assessing Officer (“MMAO”) assessor on May 29, 2019, or adjacent and contiguous.

In order for eligible property to qualify as a TRA under Act 381, the eligible property must consist of between 40-500 contiguous parcels and be designated by resolution of the governing body and by the MSF. Furthermore, the plan must demonstrate that significant brownfield conditions will be alleviated within the TRA. The Work Plan contains 286 parcels of property, while the TRA identified in this Work Plan consists of 276 contiguous parcels of eligible property. The Work Plan states that this eligible property will be developed into surface parking, storage areas, and locations for newly constructed stormwater management infrastructure in addition to the expansion of the assembly plant. Staff is satisfied that significant brownfield conditions will be alleviated through the redevelopment and expansion of the MACK and redevelopment of the facility’s supporting properties. A qualified local

governmental unit is limited to designating no more than two targeted redevelopment areas in a calendar year and this would be the first TRA designation for the City of Detroit during the current calendar year.

There are 65.6238 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (36.57%) and local millage equaling 41.6238 mills (63.43%). The eligible property is subject to an Industrial Facilities Exemption (PA 198) tax abatement for the first 10 years of capture. Tax increment capture will begin in 2022 and is estimated to continue for 30 years. The requested blended tax capture for MSF eligible activities breaks down as follows:

State tax capture	(36.59%)	\$ 33,977,977
Local tax capture	(63.41%)	\$ 58,875,641
TOTAL		\$ 92,853,618

COST OF MSF ELIGIBLE ACTIVITIES

Demolition	\$	1,384,480
Lead and Asbestos Abatement		197,500
Property Acquisition for Economic Development Purposes		60,998,400
Site Preparation	+	17,598,950
Sub-Total	\$	80,179,330
Contingency (15% of eligible activities excluding acquisition)	+	2,644,288
Sub-Total	\$	82,823,618
Interest (5% capped)	+	10,000,000
Sub-Total	\$	92,823,618
Brownfield/Work Plan Preparation	+	15,000
Brownfield/Work Plan Implementation	+	15,000
TOTAL	\$	92,853,618

In addition, the project is requesting from EGLE \$37,833,324 in TIF to assist with environmental eligible activities.

PROJECT BACKGROUND

In response to a shift in consumer demand toward SUVs and trucks, FCA discontinued compact car production and retooled plants in Illinois, Ohio, and Michigan to make full use of available capacity to expand the Jeep and Ram brands. Those actions have resulted in the recent launches of the award-winning all-new Jeep Wrangler and all-new Ram 1500, and the introduction of the newest member of the Jeep family, the all-new Jeep Gladiator. FCA is proposing significant investments in Michigan as a next step in a U.S. manufacturing realignment that the Company began in 2016. FCA plans to reopen its long-idled MACK II plant, as well as convert the MACK I plant from producing engines and transform the plants into a full assembly facility for the next-generation Jeep Grand Cherokee. The new line is expected to include a new third-row seat vehicle, as well as a plug-in hybrid version of the Jeep Grand Cherokee. These new product lines, in addition to the transformation from an engine plant to an assembly plant, requires significant job creation and investment. FCA plans to create 3,850 new jobs, have an estimated

investment of up to \$1,614,059,000 in the MACK, and anticipates launching its first third-row vehicle by the fourth quarter of 2020, followed by the all new Grand Cherokee in the first half of 2021.

In the course of its business, FCA conducts studies analyzing future industrial and production plans, facility locations, footprints, and plant loading schedules including locations in Michigan, Illinois, and Mexico. This analysis includes reviewing costs associated with the project locations, as well as state and local incentives. FCA currently has operations in Belvidere, Illinois as well as Mexico that they are analyzing for the project as they have available space. In order to locate the project in Michigan, the Company needs to make a significant investment, more so than needed in Mexico or Illinois. Without incentive assistance, the Company would proceed forward with the project outside of Michigan. Brownfield eligible activities will alleviate Brownfield conditions across the site making it suitable for redevelopment, while protecting human health and the environment. Without Brownfield tax increment reimbursement, the cost burden related to Brownfield conditions would make the project financially unfeasible.

COMPANY HISTORY

FCA has received incentives from the MSF in the past. At its April and July 2016 meetings, the MSF approved SESA Exemptions for FCA's planned investments at the Trenton Engine plant and Sterling Heights plant, respectively. In September of 2016, the MSF also approved an MBDP for the creation of 700 Qualified New Jobs and up to \$1,486,441,000 of capital investment at the Sterling Heights Plant. FCA also has an existing retention MEGA credit through 2029 for up to 27,000 retained jobs in Michigan. At its May 2019 meeting, the MSF awarded FCA the following incentives for the collective project totaling 6,433 new jobs and investing up to \$4,416,189,000 in the city of Detroit, city of Warren, and the city of Sterling Heights:

- \$10,000,000 Michigan Business Development Program Grant for its MACK project;
- 100 percent Good Jobs for Michigan Withholding Tax Capture ("GJFM") award for up to 10 years valued at up to \$99,000,000 for its Jefferson North and MACK project;
- 100 percent State Essential Services Assessment ("SESA") Exemption for up to 15 years valued at up to \$13,456,976 for its Jefferson North project;
- 100 percent SESA Exemption for up to 15 years valued at up to \$18,088,056 for its MACK project;
- 50 percent Alternative State Essential Services Assessment ("ASESA") Exemption for up to five years valued at up to \$180,900 for its Sterling Stamping project;
- 50 percent GJFM award for up to five years valued at up to \$6,000,000 for its Warren Truck project;
- 100 percent SESA Exemption for up to 15 years valued at up to \$21,083,085 for its Warren Truck project; and
- 100 percent SESA Exemption for up to five years valued at up to \$692,928 for its Warren Stamping project.

At its May 2019 meeting, the MSF also approved a \$35,000,000 MSF Performance-Based Grant, as well as a \$20,000,000 MSF Investment Fund award to the DBRA to support land assembly activities aimed at establishing market-ready industrial sites in and around Detroit allowing FCA to expand.

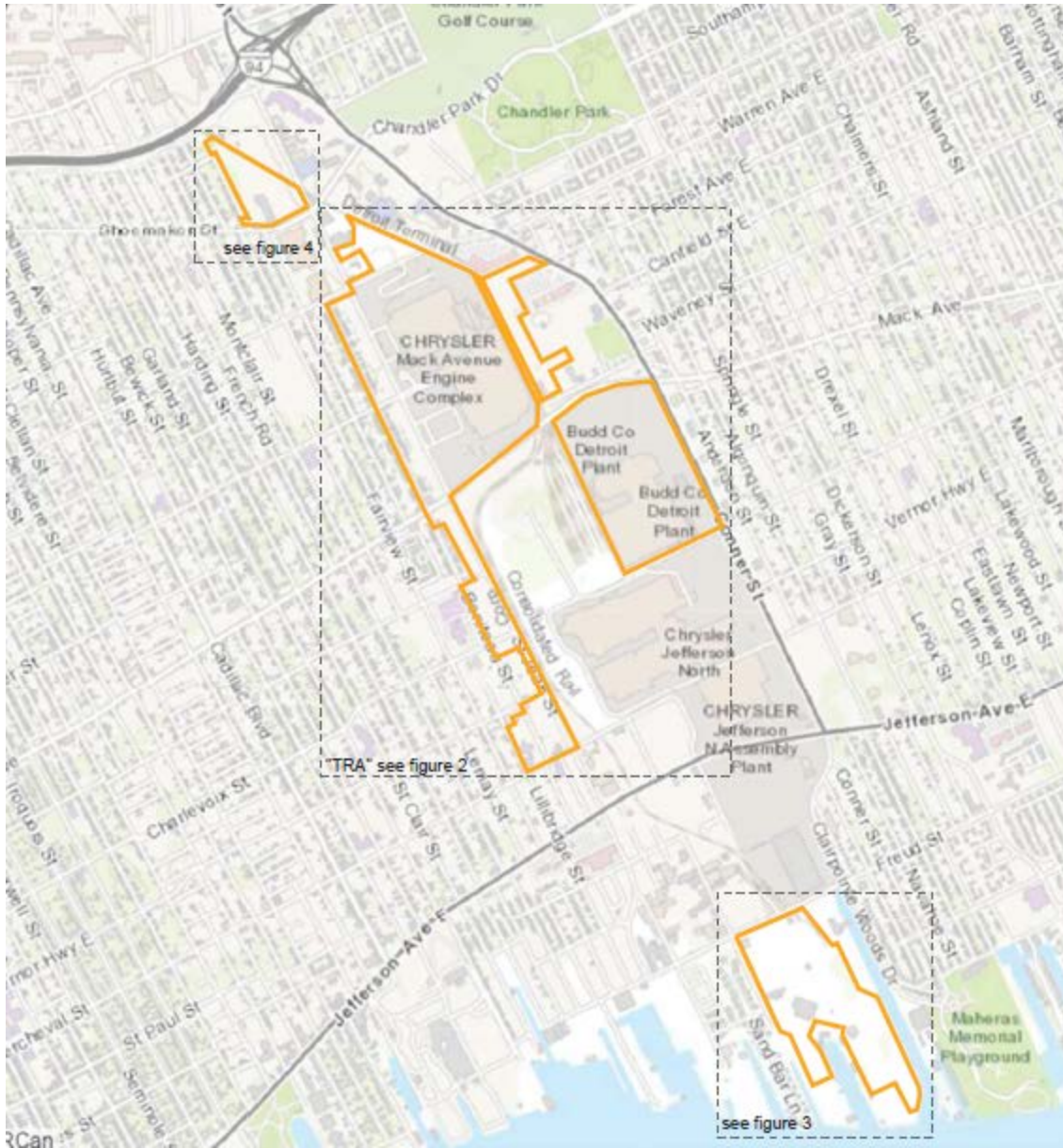
MEDC has completed the background check in accordance with the MSF policy, and the project may proceed for MSF consideration.

RECOMMENDATION

MEDC staff recommends approval of the following:

- a) The designation of the central parcel group (described above) as a Targeted Redevelopment Area.
- b) Local and school tax capture for the Act 381 eligible activities totaling \$92,853,618. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$33,977,977.

APPENDIX A – Project Map and Renderings



Northern Parcel Group



Central Parcel Group (TRA)



FIGURE 2.
Map of Targeted
Redevelopment Area



Southern Parcel Group





MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board

From: Christopher Cook, Director of Capital Access

Subject: *Private Activity Bond – Authorizing
Holland Home – Non-Profit – Refunding and New - \$35,000,000*

Request:

The Michigan Strategic Fund previously issued its Limited Obligation Revenue Bonds, Series 2004, 2005A and 2005B (the "Prior Bonds") for the benefit of Holland Home (the "Borrower"). The Borrower is a Michigan non-profit corporation established in 1892 to provide care for the elderly and was incorporated in 1941 as a non-stock not-for-profit corporation. The Borrower is requesting the Michigan Strategic Fund issue its limited obligation revenue and revenue refunding bonds (the "2019 Bonds") to refund the Prior Bonds, fund a debt service reserve fund for the 2019 Bonds, pay or reimburse the costs of the Project (as described below), and pay the costs of issuing the 2019 Bonds.

The Project includes the following capital improvements: (i) construction, furnishing and equipping of a new 15-room, approximately 20,000 square foot assisted living facility to be located at 2495 and 2505 44th Street S.E. in the City of Kentwood, Kent County, Michigan (the "New Facility"), together with related site and other improvements; (ii) renovation, furnishing and equipping of a portion of the existing approximately 30,700 square foot Breton Rehabilitation and Living Centre, a licensed adult foster care and skilled nursing facility, located at 2589 44th Street S.E. in the City of Kentwood, Kent County, Michigan; (iii) renovation, furnishing and equipping of a portion of the existing approximately 159,000 square foot Raybrook Manor, a licensed home for the aged and skilled nursing facility, located at 2121 Raybrook Street, S.E. in the City of Grand Rapids, Kent County, Michigan, together with related site and other improvements; and (iv) renovation, furnishing and equipping of a portion of the Corporation's approximately 51,600 square foot corporate office building located at 2100 Raybrook Street, S.E. in the City of Grand Rapids, Kent County, Michigan, together with related site and other improvements (the foregoing improvements are collectively referred to herein as the "Project").

The refunding of the Prior Bonds will refinance costs of the acquisition of equipment and/or making of improvements to Fulton Manor, a licensed skilled nursing facility and home for the aged located at 1450 East Fulton in the City of Grand Rapids, Kent County, Michigan; the construction and equipping of an

approximately 40,000 square foot addition to Raybrook Manor; the acquisition of land and the acquisition and renovation of a nursing home facility located at 2589 44th Street, S.E. in the City of Kentwood, Kent County, Michigan and home for the aged facilities, assisted living units and licensed nursing beds located at 2105-2121 Raybrook, S.E. and 1435-1450 East Fulton in the City of Grand Rapids, Kent County, Michigan.

Anticipated Savings:

The Prior Bonds were initially issued as variable rate bonds, secured by letters of credit. In 2009, the Trust Indentures for the Prior Bonds were amended and restated to provide for multiple interest rate modes. The Prior Bonds were sold to The Huntington National Bank ("Huntington"). In 2014, the amended and restated trust indentures were further amended to, among other things, change the Bank Purchase Rate formula for the Prior Bonds and extend the Bank Purchase Mandatory Tender Date to December 11, 2024. The outstanding Prior Bonds are subject to a Bondowner Agreement between the Borrower and Huntington. Under the terms of the current Trust Indentures (as amended) and Bondowner Agreement, the interest in the Bank Purchase Rate mode remain variable and subject to current and future interest rate risk.

As a result of historically low interest rates, the current debt service requirements on the outstanding Prior Bonds remain relatively low, however, because the Prior Bonds are subject to refinancing requirements in 2024, there is significant refinancing risk. In addition to the time-based refinancing risk, there remains a known likely increase to interest rates for bonds held by banks because of the modifications to tax provisions contained in the Tax Cuts and Jobs Act of 2017 which impact the effective yield on the bonds to such banks.

Because of the current historically low interest rate environment, the Borrower views this as an opportunity to finance the Project and refund the Prior Bonds, thereby creating a permanent fixed rate capital structure with fixed interest rates for the next 20 plus years at a relatively low rate.

B. C. Ziegler and Company intends to market the 2019 Bonds through a public offering to institutional money market funds.

The Borrower currently has approximately 909 employees, including corporate staff and staffing services provided to other related entities. It is estimated that the New Facility will result in the creation of 13.25 new jobs.

Action:

Through review of the Prior Bond documents it was determined by Varnum LLP, as Bond Counsel, and the Attorney General's office that MSF Board approval is required to issue the 2019 Bonds in an amount not to exceed \$35,000,000 to refund the Prior Bonds in an amount not to exceed \$20,100,000, fund a debt service reserve fund for the 2019 Bonds, pay or reimburse the costs of the Project in an amount not to exceed \$8,000,000, and pay the costs of issuing the 2019 Bonds.

Recommendation

Based upon a determination by Varnum LLP, as Bond Counsel, and the State of Michigan Attorney General's office that this transaction complies with applicable state and federal requirements, staff recommends the adoption of a resolution approving the issuance of the 2019 Bonds.

MEMORANDUM

Date: July 23, 2019

TO: Michigan Strategic Fund Board

From: Christopher Cook, Director of Capital Access

Subject: *Private Activity Bond – Bond Authorizing
United States Steel Corporation
Solid Waste - \$26,000,000 – New*

Request:

United States Steel Corporation (U. S. Steel) is requesting private activity bond financing for solid waste disposal improvements at its Ecorse and River Rouge facilities located in Wayne County.

Background:

U. S. Steel was established in 1901 and is a Delaware Corporation. U. S. Steel is a public company that trades on the New York Stock Exchange.

U. S. Steel is an integrated steel producer of flat-rolled and tubular products with major production operations in the United States and Europe. U. S. Steel indicates it has annual raw steel production capability of 22.0 million net tons (17.0 million tons in the United States and 5.0 million tons in Europe). U. S. Steel also indicates in 2016 it was the third largest steel producer in the United States and the twenty-fourth largest steel producer in the world.

Description of Project:

The project will be located at two facilities: Great Lake Works, Ecorse, Wayne County, and the Zug Island Facilities, River Rouge, Wayne County.

The project includes financing or refinancing the acquisition, construction, equipping and installation of certain pollution control (solid waste disposal) facilities at the Ecorse and River Rouge facilities in order to better ensure compliance with environmental standards. Updates include without limitation dust catchers, skimming operations, and pellet screening and desulphurization equipment.

Estimated costs for each component are:

<u>Description</u>	<u>Location</u>	<u>Amount (\$ thousands)</u>
1. Slag Pot Purchases	Ecorse	\$1,251
2. Blast Furnace Dust Catcher Improvements	River Rouge	\$1,422
3. BFRS Filter Press	River Rouge	\$2,598
4. Rebuild ESP Controls	Ecorse	\$11,203
5. BOP ESP Controls	Ecorse	\$861
6. Rehab BOP ESP Phase 2	Ecorse	\$7,547

The current facilities of U. S. Steel Corporation employ approximately 2031 at its four locations in Michigan. It is anticipated that there will be temporary hires related to construction at the project sites.

Plans of Finance:

Morgan Stanley & Co, LLC is the underwriter for the project.

If the project size remains at \$26,000,000 the MSF issuance fee will be \$45,000.00.

Recommendation:

Based upon a determination by Dykema Gossett PLLC and the State of Michigan Attorney General's Office that this transaction complies with state and federal law requirements for tax-exempt financing, staff recommends the adoption of a Bond Authorizing Resolution in an amount not to exceed \$26,000,000.

MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board

From: Michelle Audette-Bauman, Community Assistance Team Specialist
Katie Adkins, Commercial Real Estate Investment Manager
Rob Garza, Senior Brownfield and MCRP Senior Program Specialist

Subject: Request for Approval of a Transformational Brownfield Plan
Paper City Development, LLC - The Mill at Vicksburg Project

Request

Paper City Development, LLC (“Applicant” or “Developer”) and the Kalamazoo County Brownfield Redevelopment Authority (“BRA”) are requesting approval of a Transformational Brownfield Plan (TBP) incentive package in the aggregate amount of \$30,074,426 and divided by revenue type as follows:

- a. Local and school property tax capture in the amount of \$19,855,332;
- b. A maximum of \$738,521 in construction period withholding tax capture revenues;
- c. A maximum of \$1,491,852 in construction period sales and use tax exemptions;
- d. A maximum of \$7,988,721 in income tax capture revenues and withholding tax capture revenues (post-construction).

The proposed TBP will support a community development project to redevelop an abandoned historic paper mill, a former gravel pit and surrounding undeveloped property that extends into the Village of Vicksburg and Schoolcraft Township in Kalamazoo County, Michigan. The proposed plan will be undertaken by Paper City Development, LLC and its affiliates. The plan consists of the redevelopment of nine contiguous parcels totaling approximately 116 acres and 369,711 square feet of former paper mill buildings into a mixed-use development. The Applicant anticipates that the project will result in total capital investment in the amount of \$79,989,460, along with the creation of approximately 221 permanent full-time equivalent jobs with an average hourly wage of \$20.

Following construction completion and occupancy of the buildings, the project plan will undergo a re-evaluation based on the certified construction costs and post-construction property tax assessments, which may require the incentive to be adjusted down (“true up”). The incentive award will be decreased if the actual construction costs or taxable values are less than 90 percent of the amount estimated in the Act 381 Work Plan. The associated MSF Board resolution includes the authorization for this modification per Section 14a(9) of Act 381.

A summary of the third-party Economic and Fiscal Impact Analysis and MEDC Staff Underwriting Analysis is provided in **Appendix A**. The underwriting analysis determined that the developer assumptions were deemed reasonable and that the project requires the full \$30,100,000 in TBP assistance to be economically viable. The economic and fiscal impact analysis concluded that the project would

produce a net fiscal benefit year-over-year throughout the entire capture period, totaling an estimated \$11,400,000 in incremental State taxes on a net present value basis (2018 dollars).

Tax Capture Summary

The property is the subject of a Brownfield Plan, duly approved by the County of Kalamazoo on March 6, 2019, and concurred with by the Village of Vicksburg on January 7, 2019, and Schoolcraft Township on December 11, 2018.

The project is located within the boundaries of the Village of Vicksburg and Schoolcraft Township, which are not Qualified Local Governmental Units. Each property within the project has been determined to be either a facility as verified by Michigan Department of Environment, Great Lakes, and Energy (EGLE) on February 12, 2019, deemed functionally obsolete as verified by a Michigan Master Assessing Officer (MMAO) assessor on April 26, 2017, or adjacent and contiguous to one of the aforementioned properties. Furthermore, the project qualifies as a Transformational Brownfield Plan since the minimum capital investment of \$15,000,000 for a municipality with a population of less than 25,000 residents has been exceeded.

Property Tax Capture Breakdown

There are 56.8508 non-homestead mills available for capture, with school millage equaling 24 mills (42.22%) and local millage equaling 32.8508 mills (57.88%). Tax increment capture is anticipated to begin in 2024 is estimated to continue for 30 years. The requested tax capture for MSF eligible activities breaks down as follows:

School tax capture	(42.22%)	\$	8,382,921
Local tax capture	(57.78%)	\$	11,472,411
TOTAL		\$	19,855,332

In addition, the project is requesting from EGLE \$2,117,022 in TIF to assist with environmental eligible activities as well as a \$100,000 grant and \$1,250,000 loan.

Total TBP Revenue Breakdown

Property Tax Capture		\$	19,855,332
Construction Period Sales and Use Tax Exemption			1,491,852
Construction Period Withholding Tax Capture			738,521
State Income Tax Capture (post-construction)			2,371,597
Withholding Tax Capture (post-construction)	+		5,617,124
MAXIMUM APPROVAL		\$	30,074,426

Cost of MSF Eligible Activities

Per Act 381 Section 2(o)(iv), any demolition, construction, restoration, alterations, renovation, or improvement of buildings or site improvements on eligible property, including infrastructure

improvements that benefit eligible property are considered eligible activities for TBP's. This project will have an estimated \$79,989,460 in hard costs which will be certified at completion.

Background

The historic mill began operation in the early 1900's and became synonymous with the identity of the community. Paper products were produced at the mill and multiple owners continued operations until the mill's closure in 2001. The warehouse section and a few offices were used sporadically from 2005 to 2010. In 2013 the mill property was acquired by the Kalamazoo County Treasurer through foreclosure and subsequently purchased by the Kalamazoo County Land Bank in May of 2018. Paper City Development, LLC then purchased the property in July of 2018.

The financial need for a TBP incentive results from the difference between development costs and what market rents can support. The TBP incentive included in this plan is necessary as market rents in the Village of Vicksburg and Schoolcraft Township are insufficient to support the cost of complex, high-quality, large-scale historic rehabilitation of the former mill building which is listed on the National Register of Historic Places. In addition to this market value gap, the dedication of extensive space to civic uses, public infrastructure and trails, conservation and other features which are critical to local economic development and overall community quality of life contributes to the financial challenge and, in turn, the need for the TBP incentive to make the plan possible. Finally, significant costs are present on the site related to Brownfield conditions. The proposed plan will alleviate Brownfield conditions across the site making it suitable for redevelopment, while protecting human health and the environment.

The Developer anticipates that the completed project will include approximately 70,946 square feet of residential and hotel space with an estimated 34 one-bedroom apartments at an average of 575 square feet (19,550 total square feet), six (6) two-bedroom apartments at an average of 2,000 square feet (12,000 total square feet), and 39,396 square foot hotel space consisting of 40 rooms; 274,192 square feet of commercial space that will include a brewery and craft beverage area with public viewing, a museum, hop and malt processing, offices, educational facilities, and retail spaces; and 24,573 square feet of indoor event space. The exterior will be developed with additional event spaces, beer garden, walkways and boardwalks, gardens and terraces. In addition, approximately 153,804 square feet of public improvements will be completed as a part of the development plan including upgraded municipal sanitary sewer, extended water main, a new gas main, and pedestrian sidewalks.

Applicant History

Paper City Development, LLC is solely owned by Chris Moore, a native of Vicksburg, Michigan and the Founder and CEO of Concord Technologies located in Seattle, Washington. Concord Technologies helps healthcare and other highly-regulated industries automate manual, document-intensive processes through technology and currently has over 140,000 users across the country. In 2017, Chris opened Old Stove Brewing Company in Pike Place Market in downtown Seattle. Since opening, the brewery has received several craft beer awards, as well as an honorary Civic Design Award by the American Institute of Architects, Washington Council. While Old Stove Brewing debuted in Seattle, Chris had always envisioned that the brewery would have a presence in southwest Michigan. The very name is a tribute to Kalamazoo and the high quality stoves that were historically produced in the City and region. The Mill at Vicksburg is an ideal location for the brewery's "return home". To see the project through to fruition, Chris has retained a team of highly motivated and qualified consultants with deep experience in historic

rehabilitation, landscape architecture, sustainable business development, brownfield redevelopment and many other disciplines. This development team has not previously received incentives from the Michigan Strategic Fund. MEDC has completed the background check in accordance with the MSF policy, and the project may proceed for MSF consideration.

Appendix B includes project maps and renderings.

Recommendation

MEDC staff recommends approval of a TBP in the aggregate amount of \$30,074,426 with the ability to adjust down at the post-construction re-evaluation. The incentive will be adjusted down if the construction costs are less than 90 percent of the amount estimated in the work plan and the amount of adjustment will be based on maintaining the estimated cash-on-cash return.

The incentive shall be disbursed as follows:

1. Local and school property tax capture in the amount of \$19,855,332, (with \$8,382,921 from school millages and \$11,472,411 from local millages);
2. A maximum of \$738,521 in construction period withholding tax capture revenues;
3. A maximum of \$1,491,852 in construction period sales and use tax exemptions; and
4. A maximum of \$7,988,721 in income tax capture revenues and withholding tax capture revenues (post-construction).

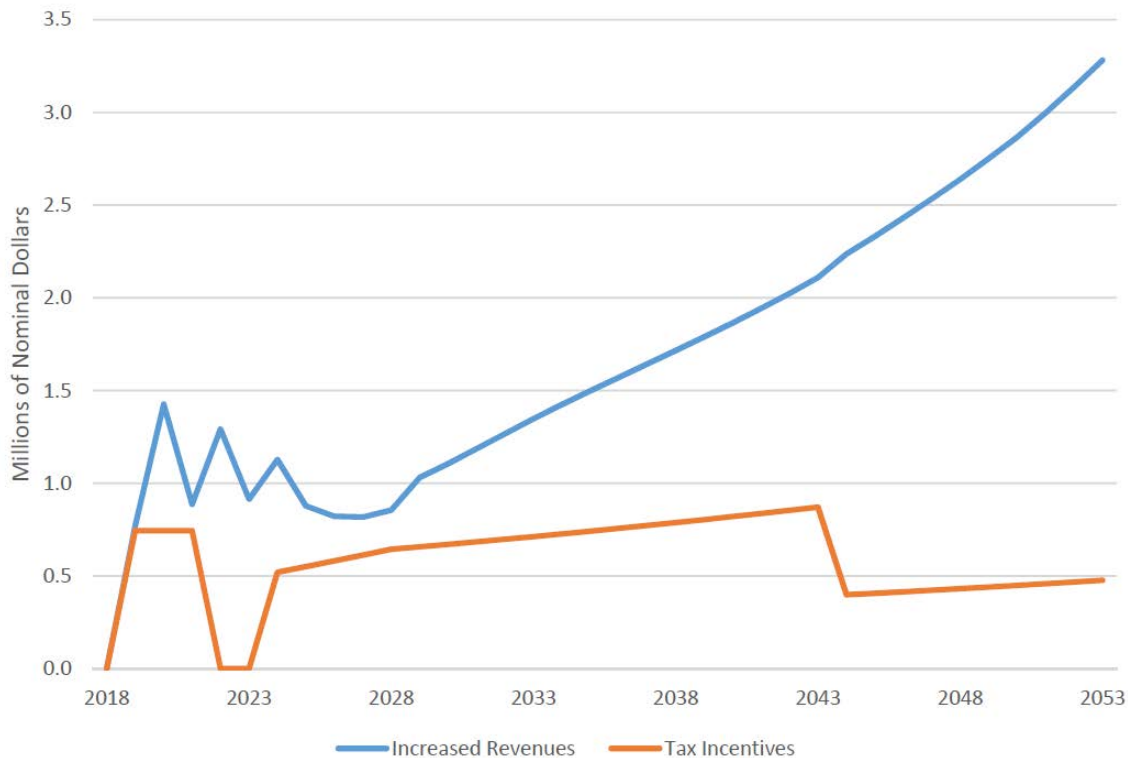
APPENDIX A – Economic and Fiscal Impact Analysis and Underwriting Analysis

TBPs proposing to use more than \$1,500,000 in any year in withholding tax capture revenues and income tax capture revenues require an independent economic and fiscal impact analysis conducted by a third-party. Although the Paper City TBP does not meet this threshold, MEDC staff made a discretionary decision to use a third party for the economic and fiscal impact analysis, as permitted by legislation, due to the uniqueness of the proposed development. Consultants were selected to conduct the analysis by the MEDC and the State Treasurer through a competitive RFP process. The University of Michigan Research Seminar in Quantitative Economic (RSQE) along with the W.E. Upjohn Institute for Employment Research were selected to perform the economic and fiscal impact assessment. MEDC staff performed the underwriting analysis of the project in-house.

Economic and Fiscal Impact

The economic and fiscal impact assessment analyzed whether the project will generate more State tax revenue than it will capture in State tax incentives, or—as described in the legislation—produce a net “positive fiscal impact” to the State (Sec. 14a. (6)). It concluded that the project will produce a net fiscal benefit year-over-year throughout the entire capture period, totaling an estimated \$11,400,000 in incremental State taxes on a net present value basis (2018 dollars). The consultant team projects that the present value of the gross new tax revenues to the State will total \$19,900,000, and the present value of the incentives to the developer \$8,600,000. This translates into an estimated State-benefit-to-incentive ratio of \$2.3 to \$1. Below is Figure 6 from the RSQE assessment, which illustrates the consultant’s estimates of total increase in State tax revenue per year alongside the estimated cost of tax incentives. In this case, both amounts are shown in nominal dollars, meaning that they have not been adjusted for inflation. The value of the increased tax revenue exceeds the cost of the tax revenue in each year of the analysis period. The team’s methodology and application of sensitivity testing is described in the full report.

Figure 6: Michigan Tax Incentives and Increased Tax Revenues



Underwriting

The underwriting analysis was guided by the MSF approved TBP Guidelines which include the following assessment items:

- Assessment of how much traditional debt the project should be able to support/attract
- Developer and consultant fees limited to 4% of the total development cost of the project
- Reasonableness assessment of any related-party costs and expenses
- Minimum Owner Equity Investment: 20% of Total Development Costs (net of developer and consulting fees). Deferred fees will not be counted in the calculation
- Minimum Debt Service Coverage Ratio: 1.20:1.00, calculated based on all scheduled debt service requirements
- Returns in relation to the land use mix, location, size and complexity of the project and the risk involved. Unleveraged IRR and yield on cost will be evaluated if financing is preliminary. If financing term sheets are provided, leveraged IRR and cash on cash return will be evaluated. Average annual return metrics will be for the first three years following project stabilization
- Reasonableness assessment of the proposed rental structure and assumptions
- Reasonableness assessment of the proposed operating expenses
- Reasonableness assessment of the proposed development costs

- Process conducted to analyze and determine the project's economic viability

The underwriting analysis was completed by MEDC Staff. Staff reviewed numerous documents provided by the development team including pro formas, studies, construction documents, etc. Staff concluded that the majority of the assessment items were addressed appropriately and that the developer's projections and assumptions were reasonable for most items. The exceptions included the rental price per square foot for event space, the stabilized vacancy rates for commercial space, the stabilized vacancy rate for the hospitality space, and developer fees. Sensitivity analysis performed by MEDC staff did not have a substantial impact on cash flow available to service traditional debt or on returns for the developer, therefore, deemed reasonable. MEDC staff is also comfortable with developer fees at 7% of total development costs, rather than 4% per the TBP guidelines as 100% of the developer fees will be deferred and paid through available cash flow. Furthermore, the Developer's commitment to the success of the project is evidenced by his cash equity contribution of over 21% of total development costs, with potentially providing another 70% of total development costs in bridge and long term financing based on terms available from third-parties at the time of construction.

As construction design and costs are preliminary, staff is recommending that a single post construction re-evaluation be conducted per Section 14a(9) of Act 381 to adjust for the actual construction costs and to adjust for the actual property tax assessment. The Reimbursement Agreement for this project will further detail the post construction cost certification and specific modifications. The MSF, Department of Treasury, Kalamazoo County Brownfield Redevelopment Authority and the Developer will all be party to the Reimbursement Agreement.

Mill Redevelopment Site Plan



Mill Redevelopment Courtyard Rendering



MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board

From: Rob Garza, Senior Brownfield and MCRP Program Specialist

Subject: Request for Approval of an Act 381 Work Plan Amendment
Parking Deck North of 7th Street Between Columbia Avenue and College
Avenue Project

REQUEST

The City of Holland Brownfield Redevelopment Authority (BRA) is requesting an amendment to a Brownfield Act 381 Work Plan previously approved for local and school tax capture for MSF eligible activities in the amount \$4,031,000. The amendment proposes to add new eligible activities and increase the authorized capture to \$6,901,450. The BRA anticipates an increase in total capital investment in the amount of \$37,215,000 along with the creation of an additional 75 full-time equivalent jobs with an average hourly wage of \$14.

PROJECT BACKGROUND

The project was originally approved for local and school tax capture for Act 381 eligible activities in the amount of \$4,031,000 by the Michigan Economic Growth Authority (MEGA) Board on November 13, 2007 and included redevelopment of approximately 26 parcels located in downtown Holland.

The original project consisted of the construction of a 91,336 square foot parking deck and associated site improvement activities and was completed in 2009. The amendment request includes the construction of a privately-owned 3-story, 20,000 square foot, multi-tenant commercial building along with approximately 3,300 square feet of publicly maintained snowmelt-equipped sidewalks by 171 College Holdings, LLC and will be referred to as the @Home Holdings site. The project is anticipated to be completed by Fall of 2019. The City of Holland will also complete public infrastructure improvements that will support the eligible property including approximately 43,508 square feet of snowmelt-equipped sidewalks and new public restrooms.

TAX CAPTURE SUMMARY

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Holland, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on November 7, 2007, and amended on February 6, 2019. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE).

There are 46.1177 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 23.7690 mills (51.54%) and local millage equaling 22.3487 mills (48.46%). Tax increment capture began in 2005 and is estimated to continue for 18 years. The requested tax capture for MSF eligible activities breaks down as follows:

<u>ORIGINAL PROJECT</u>		
State tax capture	(51.3%)	\$ 2,067,903
Local tax capture	(48.7%)	\$ 1,963,097
TOTAL		\$ 4,031,000

<u>AMENDED PROJECT</u>		
State tax capture	(51.54%)	\$ 3,557,007
Local tax capture	(48.46%)	\$ 3,344,443
TOTAL		\$ 6,901,450

COST OF MSF ELIGIBLE ACTIVITIES (ORIGINAL PROJECT)

Infrastructure Improvements		3,000,000
Site Preparation	+	500,000
Sub-Total	\$	3,500,000
MEGA Review & Preparation	+	6,000
Sub-Total	\$	3,506,000
Contingency (15%)	+	525,000
TOTAL	\$	4,031,000

COST OF MSF ELIGIBLE ACTIVITIES (AMENDED PROJECT)

Demolition (completed)	\$	60,000
Asbestos Abatement (completed)		10,000
Infrastructure Improvements (completed)		3,625,000
Infrastructure Improvements		2,425,450
Site Preparation (completed)		700,000
Sub-Total	\$	6,820,450
Contingency (15% of @Home Holdings Project costs)	+	51,000
Sub-Total	\$	6,871,450
Brownfield/Work Plan Preparation	+	30,000
TOTAL	\$	6,901,450

In addition, the project is requesting from EGLE \$25,500 in TIF to assist with environmental eligible activities.

APPLICANT HISTORY

The private development component of this project is being completed by 171 College Holdings, LLC. Neither 171 College Holdings, LLC, nor its principals, have been awarded prior MSF incentives. MEDC has completed the background check in accordance with the MSF policy, and the project may proceed for MSF consideration.

RECOMMENDATION

MEDC staff recommends approval of the requested amendment that increases the local and school tax capture for the Act 381 eligible activities to \$6,901,450. Utilizing the current state to local capture ratio, the amended amount of school tax capture for this project is estimated at \$3,557,007.

APPENDIX A – Project Map and Renderings





MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board

From: Rob Garza, Senior Brownfield and MCRP Program Specialist

Subject: Request for Approval of an Act 381 Work Plan Amendment and Approval of MBT Brownfield Credit Amendment #3
The Mid at 3750 Woodward Project

REQUEST

Midtown Project, LLC requests the following amendments to the Brownfield Michigan Business Tax (MBT) credit for The Mid at 3750 Woodward Project: the addition of 3750 Woodward Avenue, LLC as a qualified taxpayer and a change of scope to the project. The City of Detroit Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan amendment including local and school tax capture for MSF eligible activities in the amount of \$58,331,654.

PROJECT BACKGROUND

The MBT credit was originally approved by the Michigan Economic Growth Authority (MEGA) Board on December 14, 2010 and amended on July 22, 2014 and October 27, 2015. The Act 381 Work Plan was approved by the Michigan Strategic Fund (MSF) Board on July 22, 2014 and amended on August 26, 2014. The proposed project will include redevelopment of 1 parcel of property located at 3750 Woodward Avenue in Detroit which qualifies because it is a facility.

The current project scope for the Brownfield MBT credit and Work Plan project includes the rehabilitation of the existing 12-story building and the new construction of a 5-story mixed-use medical office building containing first floor retail. The rehabilitation of the 12-story building was completed by the Roxbury Group development team who claimed a portion of the MBT credit, while the medical office building and parking deck project never began due to financing issues. The single parcel was then split into two parcels consisting of the completed rehabilitation at 3800 Woodward, and the 3750 Woodward parcel, which includes the proposed amended project.

The proposed MBT amendment will bring a new developer to the project and include the construction of an approximately 25-story tower that will include retail and event space, 225 hotel rooms, and condominiums. This proposed development will replace the previously approved medical office building and parking deck that were not built.

The current project scope for the Work Plan includes the two buildings in the MBT project and a parking deck. The rehabilitation of the existing 12-story building, as completed by the Roxbury Group, is part of the original work plan, although there are no brownfield eligible activities that will be reimbursed for that building. The new construction of a 5-story mixed-use medical office building containing first floor retail

was included in the original work plan and is replaced in the amended work plan with the aforementioned 25-story hotel tower project. The other four buildings included in the amended work plan are a 27-story building containing 180 multi-family units (36 affordable) and 5 levels of integrated parking; a 12-story building containing 198 co-living residential units and retail on the first two floors, and 2 single story cultural/arts buildings whose final programming has not been determined. The total square footage for the project is approximately 1,104,038 square feet and will include a total capital investment of \$376,981,185, which is an increase of \$303,981,185 over the previously approved Work Plan.

TAX CAPTURE SUMMARY

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on November 23, 2010 and amended on June 4, 2014 and July 2, 2019. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on June 13, 2014 and deemed functionally obsolete on August 30, 2010.

There are 65.3227 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (36.74%) and local millage equaling 41.3227 mills (63.26%). The eligible property is subject to an Obsolete Property Rehabilitation Act (OPRA) tax abatement for 12 years, a Commercial Rehabilitation Act (CRA) tax abatement for 10 years, and a Neighborhood Enterprise Zone (NEZ) tax abatement for 15 years. Tax increment capture began in 2015 and is estimated to continue for 30 years. The requested blended tax capture for MSF eligible activities breaks down as follows:

ORIGINAL PROJECT

State tax capture	(37.9%)	\$	3,044,878
Local tax capture	(62.1%)	\$	4,989,101
TOTAL		\$	8,033,979

AMENDED PROJECT

State tax capture	(47.93%)	\$	27,958,362
Local tax capture	(52.07%)	\$	30,373,292
TOTAL		\$	58,331,654

COST OF MSF ELIGIBLE ACTIVITIES (ORIGINAL PROJECT)

Demolition	\$	1,174,500
Infrastructure Improvements		4,000,000
Site Preparation	+	636,600
Sub-Total	\$	5,811,100
Contingency (15%)	+	871,665
Sub-Total	\$	6,682,765
Interest (<5%)	+	1,341,214
Sub-Total	\$	8,023,979
Brownfield/Work Plan Implementation	+	10,000
TOTAL	\$	8,033,979

COST OF MSF ELIGIBLE ACTIVITIES (AMENDED PROJECT)

Demolition	\$	240,000
Demolition (complete)		176,220
Lead and Asbestos Abatement (complete)		242,000
Infrastructure Improvements		38,014,056
Site Preparation	+	<u>12,162,400</u>
Sub-Total	\$	50,834,676
Contingency (15%)	+	<u>7,466,978</u>
Sub-Total	\$	58,301,654
Brownfield/Work Plan Preparation	+	15,000
Brownfield/Work Plan Implementation	+	<u>15,000</u>
TOTAL	\$	<u>58,331,654</u>

In addition, the project is requesting from EGLE \$153,400 in TIF to assist with environmental eligible activities.

APPLICANT HISTORY

3750 Woodward, LLC is a single purpose entity formed by Mohammad Qazi. Neither 3750 Woodward, LLC, nor its principals, have been awarded prior incentives by the MSF. MEDC has completed the background check in accordance with the MSF policy and the project may proceed for MSF consideration.

Appendix A addresses the Brownfield MBT tax credit structure.

RECOMMENDATION

MEDC staff recommends approval of the following (the “Recommendation”):

- a) The increase of local and school tax capture for the Act 381 eligible activities to \$58,331,654. Utilizing the current state to local capture ratio, the amended amount of school tax capture for this project is estimated at \$27,958,362.
- b) The Brownfield MBT credit amendment requests to add 3750 Woodward Avenue, LLC as a qualified taxpayer and change the scope of the project.

APPENDIX A – Brownfield Tax Credit Structure

Brownfield MBT Credit Amendment Request By:

Midtown Project, LLC
 2000 Town Center, Suite 2370
 Southfield, Michigan 48075

Contact: Gary Novara, Manager

	Previous Approval	Amendment
Project Eligible Investment:	\$67,628,907	\$141,372,571
Requested Credit Amount Phase 1	\$8,970,000	\$8,970,000
Requested Credit Amount Phase 2	\$1,030,000	\$1,030,000 (capped)
Requested Credit Percentage:	20%	\$1,030,000 (completed)
		20%

The project is a multi-phase project and will be completed in two (2) phases as described below:

Phase I – Construction of an approximately 25-story tower that will include retail and event space, hotel space, and condominiums. The credit for this phase is capped at \$8,970,000, and;

Phase II (Completed) – Redevelopment of an existing 12-story building into mixed-use space including 2,000 square feet of first floor retail and approximately 72 residential apartments on floors 2-12. The credit for this phase is capped at \$1,030,000.

COST OF ELIGIBLE INVESTMENTS BY PHASE

Phase I

Site Improvements	+	1,294,298
Building Renovation	+	<u>122,175,947</u>
Phase I Total	\$	123,470,245

Phase II

Demolition	\$	1,000,326
Site Improvements	+	800,000
New Construction	+	<u>16,102,000</u>
Phase II Total	\$	17,902,326

TOTAL COST OF ELIGIBLE INVESTMENTS

Demolition	\$	1,000,326
Site Improvements	+	2,094,298
New Construction	+	<u>138,277,947</u>
Total	\$	141,372,571

APPENDIX A – Project Map and Renderings





MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board

From: Brittney Hoszkiw, Senior Community Assistance Team Specialist
Lisa Edmonds, MCRP and Brownfield Program Specialist

Subject: Request for Approval of an Act 381 Work Plan
SoMA Redevelopment

REQUEST

The Detroit Brownfield Redevelopment Authority is requesting approval of a Brownfield Act 381 Work Plan including local and school tax capture for MSF eligible activities in the amount of \$9,965,000, to support a community development project that will demolish a parking lot and site features and construct a six-story, mixed-use parking structure to support the rehabilitation of an existing office building located at 115 Erskine. The Applicant anticipates that the project will result in a total capital investment in the amount of \$21,566,125 along with the creation of approximately 225 permanent full-time equivalent jobs with an average hourly wage of \$28.30.

LOCAL SUPPORT

Local support for the project includes a Commercial Rehabilitation Act (CRA) tax exemption valued at roughly \$3,000,000 and the local portion of the Brownfield TIF estimated at \$3,478,753. The City of Detroit is engaged/certified with the MEDC's Redevelopment Ready Communities (RRC) program.

TAX CAPTURE SUMMARY

In order to alleviate brownfield conditions and prepare the site for redevelopment, the City of Detroit, a Qualified Local Governmental Unit, has duly approved a brownfield plan for this property on May 17, 2019. The property has been determined to be a facility as verified by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) on June 19, 2019.

There are 63.3238 non-homestead mills available for capture, with State mills from school operating and SET millages equaling 24 mills (37.90%) and local millage equaling 39.3238 mills (62.10%). Tax increment capture will begin in 2021 and is estimated to continue for 30 years. The total cost of MSF Eligible Activities is estimated to be \$17,922,722, however the Brownfield Plan caps the reimbursement to the developer at \$9,965,000. The eligible property is subject to a CRA exemption, therefore, the tax capture ratio is impacted. The requested blended tax capture for MSF eligible activities breaks down as follows:

State tax capture	(51.35%)	\$	5,117,028
Local tax capture	(48.65%)	\$	4,847,972
TOTAL		\$	9,965,000

COST OF MSF ELIGIBLE ACTIVITIES

Demolition	\$	261,000
Infrastructure Improvements		<u>15,271,802</u>
Sub-Total	\$	15,532,802
Contingency (15%)	+	<u>2,329,920</u>
Sub-Total	\$	17,862,722
Brownfield/Work Plan Preparation	+	30,000
Brownfield/Work Plan Implementation	+	<u>30,000</u>
TOTAL	\$	<u>17,922,722</u>

In addition, the project is requesting from EGLE \$25,113 in TIF to assist with environmental eligible activities.

PROJECT BACKGROUND

The proposed redevelopment will include demolition of a parking lot and site features and includes construction of a 6-story mixed-use privately-owned parking structure (approximately 213,099 square feet) with approximately 6,730 square feet of retail on the ground floor as well as rehabilitation of a nearby approximately 57,000 square foot vacant office building to Class A standards. The project will also include the activation of the adjacent alleyway and redevelopment of the former Eliot Street which will reestablish the street grid in this neighborhood. The total development sits on 3.7 acres.

The development team is financing 63% of total development costs through traditional financing and contributing 36% equity to the deal. The parking deck is a critical part of restoring the office building occupancy and is needed to support proposed development projects in the surrounding area. The ground-floor retail will activate the proposed alleyway allowing for a vibrant mixed-use district. Brownfield eligible activities will alleviate Brownfield conditions across the site making it suitable for redevelopment, while protecting human health and the environment. Without Brownfield tax increment reimbursement, the cost burden related to Brownfield conditions would make the project financially unfeasible.

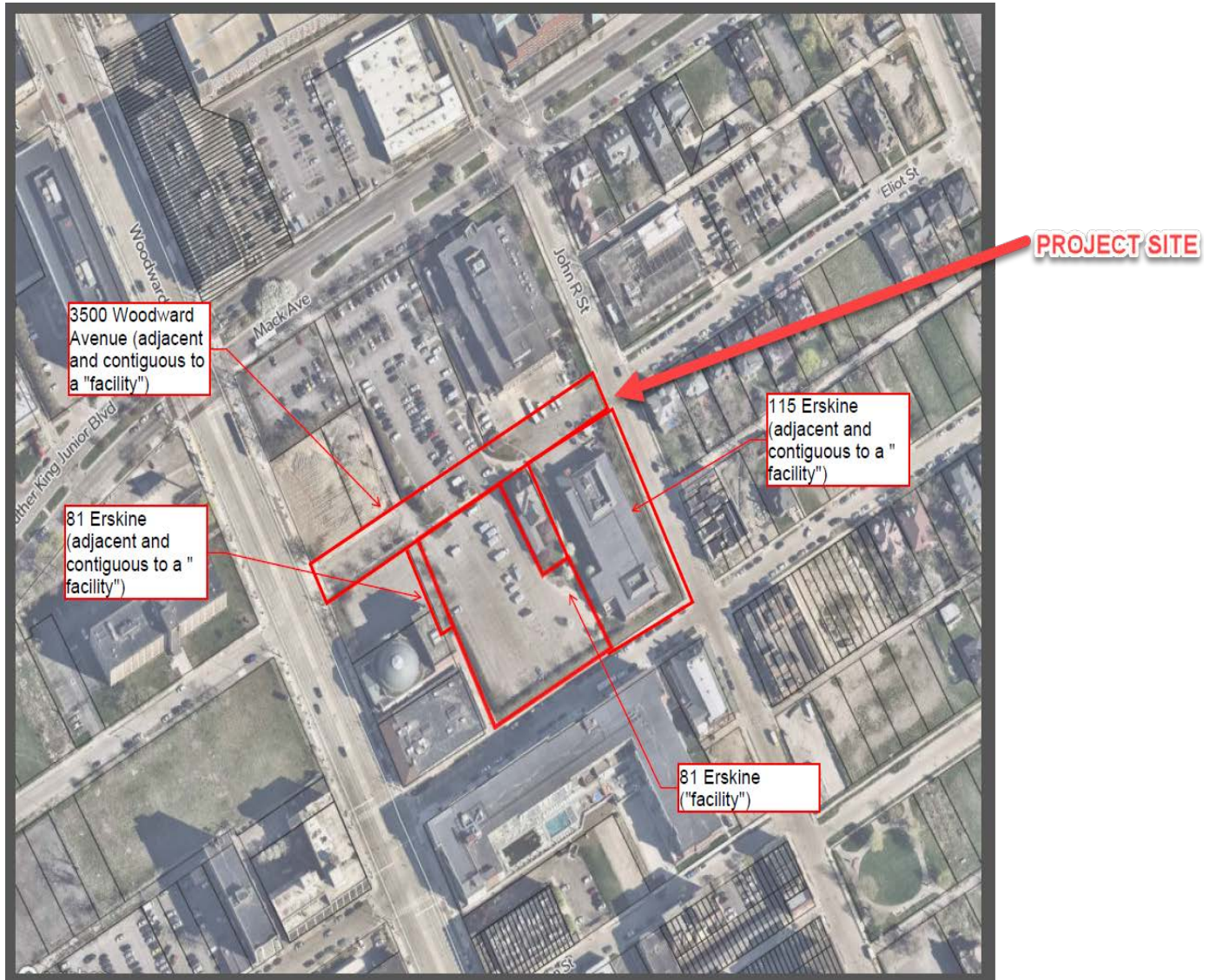
APPLICANT HISTORY

The project developer, Woodward Mack 22, LLC, was established in 2015 and is owned and managed by Professional Property Management Co of Michigan (PPM) which has been operating since 1974. PPM is currently responsible for managing more than 5,000 multi-family residential units and one million square feet of commercial and industrial space. Neither PPM nor Woodward Mack 22, LLC has received incentives from the Michigan Strategic Fund previously. MEDC has completed the background check in accordance with the MSF policy, and the project may proceed for MSF consideration.

RECOMMENDATION

MEDC staff recommends approval of local and school tax capture for the Act 381 eligible activities totaling \$9,965,000. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$5,117,028.

APPENDIX A – Project Map and Renderings





ERSKINE STREET FAÇADE



MEMORANDUM

Date: July 23, 2019
To: Michigan Strategic Fund Board
From: Dean Wade, Compliance Specialist, Compliance and Contract Services
Subject: Evigia Systems, Inc. Conversion and Profit-Sharing Request

Request

Evigia Systems, Inc. (“Evigia” or the “Company”) requests that the Michigan Strategic Fund (“MSF”) convert the outstanding loan (\$4,026,022.71) into 22.5% ownership of the Company (tentatively 11,250 units of the Company’s common stock) and enter into a profit-sharing agreement in which the MSF would receive the greater of 9.25% of the Company’s annual net income or an annual minimum payment of \$10,000 (the “Request”).

Background

Evigia received a loan of \$1,736,300 from the Strategic Economic Investment and Commercialization (“SEIC”) Board¹ and the MSF on October 16, 2006 (the “Loan”). Evigia is an Ann Arbor-based company that develops and markets wireless RFID tags for military tracking and monitoring applications to detect temperature, humidity, mechanical shock, pressure, and chemical change in weapons and artillery supplies under harsh transport and storage conditions. The technology has a secondary application in the food supply chain and the Internet of Things markets. In March 2016, the Company underwent a corporate restructuring that consolidated all of the owners’ businesses, including Evigia, into a holding company called Uptim Technologies, Inc. (“Uptim”). As a result, Evigia is wholly owned by Uptim. The business of Evigia was not impacted by the restructuring and the ownership of Evigia only changed by adding a holding company between the shareholders and Evigia. Currently, Evigia has ten employees. The Company received the following loan from the SEIC and MSF:

MSF Investment Summary (2006 21st Century Business Plan Competition):

Award Type:	Convertible Loan Agreement
Original Loan Amount:	\$1,736,300
Award Date:	October 16, 2006
Interest Rate:	9.25% (as amended)
Collateral:	Tangible personal property excluding inventory
Loan Balance:	\$4,026,022.71(as of 7/1/19, includes principle, interest and fees)
Equity:	Warrant to purchase \$433,304 capital stock (type and number of shares TBD by applicable of Financing Event, IPO or Liquidity Event)

The Loan was amended on December 13, 2010 to extend the grace period from February 16, 2010 to February 16, 2011 and issue of warrants to the MSF to purchase \$170,000 worth of the Company's capital stock, the actual type and number determined by the applicable of Financing Event, IPO or Liquidity Event. The Loan was amended again on July 8, 2011 to extend the grace period from February 16, 2011 to February 16, 2012 and increase the interest rate from 8.25% to 9.25%. The Loan was amended again on March 26, 2014 to 1) extend the grace period from February 16, 2012 to June 30, 2014; 2) reduce the Venture Financing Conversion Trigger from \$3.5 million to \$2.5 million; and 3) issue warrants to the MSF to purchase \$263,304 worth of the Company's capital stock, the actual type and number determined by the applicable of Financing Event, IPO or Liquidity Event. The Loan was amended again on November 25, 2015 to extend the grace period from June 30, 2014 to June 30, 2017 and impose additional loan covenants capping executive compensation and prohibiting Evigia from paying any bonuses to employees or dividends to shareholders until the MSF loan is paid in full. On October 16, 2017 the Company entered a Forbearance Agreement in which the MSF agreed to forbear from exercising its right to repayment under the Loan Agreement until June 30, 2018. On July 19, 2018 the Forbearance Agreement was extended until December 31, 2018. MEDC Staff and the Company have been engaged in ongoing discussions regarding the loan since January 2019.

According to the Evigia's 2018 financial statements, other debt includes a loan from the majority owner in the amount of \$940,234 (the "Owner Loan"). The Company is unable to service the MSF loan and the Owner Loan at this time. The Owner Loan is not being paid down. It will be written off without any cash payments as part of the loan conversion and restructure. Evigia has been seeking additional capital (including bank debt) and/or an exit transaction for several years. In all such attempted transactions, the amount of Evigia's debt on its balance sheet prevented many otherwise realistic investors/lenders/acquirers from even pursuing the opportunity and continues to completely hinder the ability of Evigia to effectively manage or grow its business. The approval and execution of the Requests results in a debt-free company enabling it to obtain the needed capital for execution of the current opportunities, capture market share, and grow the business. This plan also results in creation of a higher economic return for MSF and the employees of Evigia. Another option would be to call the loan. However, given the current status of the Company, this would very likely result in a significant lower return to the MSF.

Deal Details

The MSF will:

1. Convert the award, including the loan, outstanding interest, late fee, and warrants into 22.5% ownership of the company (in common shares, the only equity currently outstanding). Tentatively, 50,000 total units, MSF will have 11,250 units of the Company after the restructuring.
2. Establish a profit-sharing relationship in which the MSF would receive 9.25% of the net income payable quarterly or an annual minimal payment of \$10,000 (whichever is greater).
3. The ownership in the company would remain constant at 22.5%, unless an investment in the Company dilutes all shares.

This will take the Loan off the Company's books, leave sufficient equity for potential new investors as well as current and future employees, allow the Company to obtain a line of credit, pursue growth opportunities and ultimately a quality exit. The 9.25% profit sharing is based on the current interest rate of the loan. The minimum payment is based on the Company's negative net income over the last two years. However, expectations are high as the Company pursues growth opportunities in their Internet of Things (IoT) products for smart cities and industry 4.0.

Given the low likelihood of significant return if the MSF loan is called, MEDC Staff believes it is in the best interest of the MSF to approve the Request and give the Company the opportunity to explore new markets and the chance to grow the business.

Recommendation

MEDC Staff recommends approval of the Request.

MEMORANDUM

DATE: July 23, 2019
TO: Michigan Strategic Fund (“MSF”) Board Members
FROM: Mary Kramer, Manager, MCRP, Brownfield and SmartZone Programs
SUBJECT: Quarterly Report of Delegated Approvals of Brownfield Act 381 Work Plans

On April 5, 2017, the Brownfield Redevelopment Financing Act (Act 381) was amended to allow the chairperson of the Michigan Strategic Fund delegated approval of work plans that consist of tax capture of less than \$1,000,000. Listed below is a synopsis of the delegated work plans that were approved during the third quarter of the 2019 fiscal year.

If you would like additional information on a project, please let us know.

Project Name	Approval Date	Location	Approved TIF Amount	Jobs	Investment
The 12 Weston Project	4/11/2019	Grand Rapids	\$419,425	13	\$4,575,000
The Michigan Building	6/7/2019	Kalamazoo	\$423,459	2	\$5,077,334
Total			\$842,884	15	\$9,652,334

MEMORANDUM

DATE: July 23, 2019

TO: Michigan Strategic Fund (“MSF”) Board Members

FROM: Trevor Friedeberg, Director, Business Development Projects
Mary Kramer, Manager, MCRP, Brownfield and SmartZone Programs

SUBJECT: Quarterly Report of Delegated Approvals on Michigan Business Development Program & Michigan Community Revitalization Program

On December 21, 2011, the MSF Board approved the Michigan Business Development Program (“MBDP”) and the Michigan Community Revitalization Program (“MCRP”). Both programs allow for delegated approval of projects that have incentives of \$1 million or less. Listed below is a synopsis of the delegated deals that were approved during the third quarter of the 2019 fiscal year.

If you would like additional information on a project, please let us know.

MBDP APPROVALS

Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment
Forman Glass	4/18/2019	Galesburg	\$100,000	20	\$1,925,000
VDA Labs	4/22/2019	Grand Rapids	\$75,000	25	\$300,000
Webasto Roof Systems Inc.	5/14/2019	Auburn Hills	\$350,000	55	\$40,000,000
L3 Combat Propulsion Systems	5/29/2019	Muskegon	\$500,000	46	\$4,572,544
Multimatic Engineering	5/30/2019	Southfield	\$603,500	50	\$7,870,023
Roskam Baking Company	6/10/2019	Grand Rapids	\$1,000,000	238	\$85,218,701
Koops, Incorporated	6/19/2019	Holland	\$360,000	60	\$6,280,000
American Chemical Solutions LLC	6/24/2019	Muskegon	\$200,000	38	\$15,000,000

MCRP APPROVALS

Project Name	Approval Date	Location	Incentive Approved	Jobs	Investment
South Haven Center, LLC/335 Center Street	4/16/2019	South Haven	\$750,000	10	\$3,827,767
Canute Properties, LLC/River Street Development	4/19/2019	Alpena	\$622,939	13	\$847,316
FCM Development LLC	4/25/2019	St. Johns	\$429,534	3	\$2,020,000
Veteran's Park Pavilion	4/29/2019	Boyne City	\$408,515	0	\$408,515
Record Box LLC	5/8/2019	Battle Creek	\$415,000	23	\$1,405,233
Cheboygan Main Street LLC/The Lark	5/13/2019	Cheboygan	\$417,500	7	\$485,300
D-Town Grand, LLC/3040 E. Grand Blvd.	5/26/2019	Detroit	\$220,682	1	\$902,379
Wax Real Estate Holdings, LLC	6/6/2019	Linden	\$723,975	25	\$3,790,158
Jim Gilmore, Jr. Foundation/162 E. Michigan	6/7/2019	Kalamazoo	\$487,000	2	\$5,077,334

**MSF DELEGATED AUTHORITY QUARTERLY UPDATE
MSDF AND SSBCI PROGRAMS
CAPITAL ACCESS TEAM
April 1 – June 30, 2019**

APPROVALS BY AUTHORIZED DELEGATES

Between April 1 and June 30, 2019 the following actions were approved by the MSF Chairperson and MSF Fund Manager, subject to due diligence, and available funding:

SSBCI-MBGF						
Organization	Request Type	Loan Amount	MSF Support	Action	Date Approved	Closed
Squirrel, LLC	MBGF-CSP	\$ 1,000,000	\$ 499,000	Approved by Chair and Fund Manager	April 9, 2019	Y
Total		\$ 1,000,000	\$ 499,000			

MEMORANDUM

Date: July 23, 2019

To: Michigan Strategic Fund Board

From: Christine Whitz, Director, Community Development Block Grant Program

Subject: *Community Development Block Grant Program
Quarterly Report of Delegated Approvals (April – June 2019)*

On October 23, 2013, the MSF Board approved the Community Development Block Grant (CDBG) program delegated approval of projects that have incentives of \$1 million or less. Listed below is a synopsis of the delegated deals that were approved during the previous quarter. If you would like additional information on a project, please feel free to contact me.

Grantee	Approval Date	CDBG Funds	Brief Summary of Project
City of Howell	5/16/19	\$268,066	The City of Howell requested an increase of \$268,066 in CDBG funds for their City Infrastructure Project. The bid was substantially higher than expected due to additional construction engineering costs and costs associated with franchise utilities that were unanticipated.
Village of Howard City	6/2/19	\$162,050	The Village of Howard City requested an additional \$162,050 in CDBG funds for their infrastructure project. The Village increased their contribution to the project with an additional \$18,001. The proposed budget amendment is to offset the increased construction costs, thoroughly identified by the bidding contractors. The project was then value engineered and some non-emergency items were removed.
Village of Calumet	6/2/19	\$245,489	The Village of Calumet requested an additional \$245,489 in CDBG funds for their Elm Street Infrastructure Improvement Project. The proposed project budget amendment is to offset the increased construction costs, identified by the bids received.

City of Sault Sainte Marie	6/13/19	\$484,231	The City of Sault Sainte Marie requested \$484,231 in CDBG funds for rehabilitation needed for the Sault Sainte Marie Rental Rehab project located in Chippewa County, Michigan. The City expects that this project could result in private investment of \$323,454.
Village of Paw Paw	6/13/19	\$607,383	The Village of Paw Paw requested \$607,383 in CDBG funds for building rehabilitation needed for the 210 East Michigan Project located in Van Buren County, Michigan. The Village expects that this project could result in private investment of \$668,893.
Total CDBG Funds for Quarter		\$1,767,219	

**MSF DELEGATED AUTHORITY QUARTERLY UPDATE
MSF CONFIDENTIALITY MEMOS
Board Meeting July 23, 2019**

FOR QUARTER ENDED JUNE 30, 2019

BACKGROUND

As a part of the process for negotiating with companies seeking to invest in Michigan, the Michigan Strategic Fund (MSF) receives information of a financial and/or proprietary nature from applicant companies. Avoiding the public disclosure of this information is desirable in order to protect against the potential for significant competitive harm to the applicant companies.

Via MCL 125.2005(9), as amended by Public Act 251 of 2011, information of a financial or proprietary nature considered by the applicant as confidential and acknowledged as confidential by the Michigan Strategic Fund Board or its designee is exempted from disclosure by the Michigan Freedom of Information Act, Public Act 442 of 1976, as amended. On February 27, 2012, the MSF Board approved by resolution the delegation of this authority to the MSF Fund Manager, who acknowledges the confidentiality of eligible information on behalf of the MSF Board by executing a confidentiality memo.

APPROVALS BY AUTHORIZED DELEGATE

During the period between April 1, 2019 and June 30, 2019, the following confidentiality memos were approved by the MSF Fund Manager:

Company Name and Location	Overview of Confidential Information
Ilitch Holdings Inc and Olympia Development of Michigan LLC 2211 Woodward Ave. Fox Office Center Detroit, Michigan 48201	ODM Approval Process Master Schedule including all past, current, and future drafts thereto; ODM TBP Development Costs excel file including all past, current, and future drafts thereto; ODM Weekly Call Agenda(s); ODM Weekly Call Minute(s); All draft versions of ODM TBP Submission Consolidated Summaries- Extract Excel file; The District Detroit: Project Map, Brownfield Qualification Map, and Property Tax Abatement Map PDFs; Presentation: The District Detroit TBP Kickoff Meeting, May 2019, including project maps; Draft proformas for any potential TBP sites; Economic and Fiscal Impacts Analysis entitled “Transformational Brownfield Plan: The District Detroit Projects,” prepared by WSP USA, dated May 2019, and any prior or updated versions thereto; TBP Submission Presentation entitled “The District Detroit,” dated May 2019, and any prior or updated versions thereto

<p>DNA Software Inc 334 E Washington St. Ann Arbor, MI 48104</p>	Balance Sheet; Income Statement; Profit and Loss Statement
<p>The Enterprise Group of Jackson, Inc One Jackson Square, Suite 1100 Jackson, MI 49204-0080 United States</p>	Employment information (including but not limited to numbers of employees and compensation); Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments); Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements); Revenue; Employment projections
<p>Ann Arbor Spark 201 S. Division Street Suite 430 Ann Arbor, MI 48104 United States</p>	Employment information (including but not limited to numbers of employees and compensation); Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments); Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements); Revenue; Employment projections
<p>Wayne State University Research and Technology Park in the City of Detroit 440 Burroughs St Detroit, MI 48202</p>	Employment information (including but not limited to numbers of employees and compensation); Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments); Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements); Revenue; Employment projections
<p>SightLine Inc Michigan Tech Enterprise Corp, 409 W Douglass Ave, Houghton, MI 49931</p>	Employment information (including but not limited to numbers of employees and compensation); Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments); Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements); Revenue; Employment projections
<p>Wolverine Fire Protection Co. 8067 N. Dort Highway Mt. Morris, MI 48505</p>	Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.

<p>GPC Adams, LLC 333 W. Fort Street, Suite 1350 Detroit, MI 48226</p>	<p>Applicant Key Owners Section of the MSF and MEDC General Application Certification Form (Background Check Form), submitted by the Company</p>
<p>Shannon Precision Fastener LLC 31600 Stephenson Highway Madison Heights MI 48071</p>	<p>Any and all versions of the company's Operating Agreement</p>
<p>Critical Signal Technologies Inc 27475 Meadowbrook Road Novi, MI 48377</p>	<p>All financial statements; Purchase price of any potential acquisition of the Company; Identity of any potential acquirer of the Company</p>
<p>FCA US, LLC 1000 Chrysler Drive CIMS 485-12-30 Auburn Hills, MI 48326</p>	<p>Spreadsheets of Proposed Employment and Proposed Real & Personal Property Investment for the proposed Warren Truck Facility, dated March 19, 2019, and any updated or modified version thereto; "Potential Investment Warren Truck Assembly Plant," prepared by the Company, dated March 29, 2019, and any updated or modified versions thereto</p>
<p>FANUC America Corporation 3900 West Hamlin Road Rochester Hills, MI 48309</p>	<p>Certificate of Incumbency, dated April 11, 2019; FANUC Robotics North America, Inc. Approval Process for Agreement Approval, dated September 5, 2000; FANUC Robotics North America, Inc. Approval of Minutes from the September 5, 2000 Board Meeting, dated January 3, 2001</p>
<p>Detroit Brownfield Redevelopment Authority (DBRA) 500 Griswold, Suite 2200 Detroit, MI 48226</p>	<p>Analyses, projections, proformas, engagement letters, invoices, expense reports, spreadsheets, maps, proposed terms, studies, checklists, correspondences, reports, and any other ancillary documents arising or resulting therefrom, in each case whether in draft or final form, which are not included in a finalized MSF incentive application and/or MSF Board consideration materials; Draft Applications for MSF incentives</p>
<p>Paper City Development, LLC 107 W Michigan Ave, 4th Floor Kalamazoo, MI 49007</p>	<p>Concord III, LLC - Balance Sheet - As of 12/31/15; CONCORD III, LLC - STATEMENT OF OPERATIONS - DETAIL - For the Twelve Months ended December 31, 2015; Concord III, LLC - Balance Sheet - As of 12/31/16; CONCORD III, LLC STATEMENT OF OPERATIONS - DETAIL - For the Twelve Months ended December 31, 2016; Concord III, LLC - Balance Sheet - As of 12/31/17;</p>

	<p>CONCORD III, LLC - STATEMENT OF OPERATIONS - DETAIL - For the Twelve Months ended December 31, 2017; Concord III, LLC - Balance Sheet - As of 12/31/18; CONCORD III, LLC - STATEMENT OF OPERATIONS - DETAIL - For the Twelve Months ended December 31, 2018; FORM 1040 and related 2017 tax documentation for Christopher C. Moore; Financial Statements for Concord III, LLC; Personal Financial Statements for Christopher C. Moore</p>
<p>Sault Saint Marie Economic Development Corporation 2345 Meridian Street Sault Ste. Marie, MI 49783 United States</p>	<p>Employment information (including but not limited to numbers of employees and compensation); Private sector financing (including but not limited banks, investors, venture capital, owner/founder investments); Intellectual property (patent, trademark, copyright, trade secret, and licensing agreements); Revenue; Employment projections</p>
<p>Squirrel LLC (and/or related borrowers(s)) 300 Enterprise Ct. Bloomfield Hills, Michigan 48302</p>	<p>Any portion of any documents or record of any kind containing any of the following business or personal information pertaining to any of the Interested Parties to the Proposed Transaction: Financial statements (including without limitation, income statements, balance sheets, statements of cash flow and profit and loss statements), ratio analysis, appraisals and other appraisal reporting, collateral analysis, accounts receivable aging reports, customer names and lists, tax returns, credit reports, social security or other tax identification numbers, and any analysis, report or record of any kind by or on behalf of any of the Interested Parties to the Proposed Transaction containing any of the foregoing information.</p>

RESOLUTIONS

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-104**

**APPROVAL OF JULY 2019 CONSENT AGENDA
FOR THE MICHIGAN STRATEGIC FUND BOARD**

WHEREAS, the Michigan Strategic Fund (“MSF”), at its February 2014 board meeting, approved the use of consent agendas at future board meetings pursuant to defined guidelines.

WHEREAS, the MSF, at its February 2014 board meeting, approved Guidelines for Preparation and Approval of Consent Agendas for the MSF (“Guidelines”).

WHEREAS, pursuant to the recommendation of MSF and MEDC staff, the MSF Board desires to approve the below Consent Agenda items;

NOW, THEREFORE, BE IT RESOLVED, the MSF approves the Consent Agenda items listed below and identified in the final Consent Agenda for this board meeting.

Consent Agenda Items:

Proposed Meeting Minutes – June 25, 2019
FOIA MSF Delegation of Authority
Anderton Machining LLC – Renaissance Zone Revocation
Airgas USA LLC – Request for Agreement Extension
Trident Corktown, L.L.C. – MCRP Amendment
600 E. Michigan-Lansing, LLC – MCRP Amendment
Detroit Entrepreneur Development, LLC – MCRP Amendment
MCRP Guidelines Amendment

Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

RESOLUTION 2019-105

STRATEGIC FUND DELEGATION OF AUTHORITY

WHEREAS, under Section 125.2005(7) of the Michigan Strategic Fund Act, the Michigan Strategic Fund (“MSF”) Board may delegate to its president, vice-president, staff or others those functions and authority the MSF Board deems necessary or appropriate;

WHEREAS, under Article II, Section 1 of the Amended and Restated Bylaws adopted by the MSF Board on April 22, 2014, the MSF Board may delegate by resolution those functions and authority it deems necessary or appropriate to the President, Vice-President, Staff, the MEDC, or others, unless otherwise prohibited by law; and,

WHEREAS, under Article III, Section 1 of the Bylaws, the MSF President will provide for compilations of all general delegated authority; standard processes; and standard policies, in force (the "Strategic Fund Compiled Resolutions" or "SFCR");

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF;

WHEREAS, the MEDC recommends that the MSF Board amend the Strategic Fund Compiled Resolutions to delegate authority to the President of the MSF to respond to written appeals of records request denials made by the Freedom of Information Act Coordinator;

WHEREAS, the MSF Board wishes to approve revisions to the Strategic Fund Compiled Resolutions in accordance with the terms and conditions of this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the MSF Board delegates the following authority effective July 23, 2019:

125.2005-1 General Delegations of Authority

- (4)The MSF President may take all action necessary to respond to written appeals of fees charged by the MSF or the Freedom of Information Act Coordinator’s determinations to deny requests for disclosure under the Freedom of Information Act.

BE IT FURTHER RESOLVED, the MSF President shall compile and publish the above delegated authority as required under Article III of the Bylaws.

Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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Michigan Strategic Fund Office
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Lansing, MI 48913

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Dear Ms. Bishop:

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

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Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

RESOLUTION 2019-106

REVOCAION OF AN EXISTING RENAISSANCE ZONE SUBZONE DESIGNATION: Anderton Machining, LLC

WHEREAS, Section 4(4) of the Michigan Renaissance Zone Act (the “Act”), 1996 PA 376, as amended, authorizes the Michigan Strategic Fund (“MSF”) to designate qualified additional distinct geographic areas if the additional distinct geographic area will increase capital investment or job creation (a “Subzone”);

WHEREAS, on June 25, 2008, by Resolution 2008-090 the Michigan Strategic Fund approved the Production Engineering Subzone in the existing City/County of Jackson Renaissance Zone;

WHEREAS, as a condition of the Subzone, a development agreement was entered into between Production Engineering, Inc., real property owner Equestor Partners, LLC and the Michigan Strategic Fund (the “MSF”) that incorporated the terms described in Resolution 2008-090;

WHEREAS, on March 20, 2015, Anderton Machining, LLC (the “Company”) acquired Production Engineering, Inc. through an asset purchase;

WHEREAS, on September 22, 2015, by Resolution 2015-137 the Michigan Strategic Fund approved the transfer of the Production Engineering Subzone in the existing City/County of Jackson Renaissance Zone to the Company;

WHEREAS, as a condition of the Subzone, a development agreement was entered into between the Company and the Michigan Strategic Fund (the “MSF”) that incorporated the terms described in Resolution 2015-137, including milestones with regards to job creation and new investment;

WHEREAS, the Company has not fulfilled the job creation milestone as required by the terms of its development agreement;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services for the renaissance zone program and has been working with the Company to monitor the compliance issue;

WHEREAS, pursuant to the development agreement, MEDC staff, on behalf of the MSF, has sent notice to the Company to cure its non-compliance within the 90-day cure period. The Company has elected to forgo the cure period and requested that the zone be revoked.

WHEREAS, the MEDC recommends that the MSF Board approve the revocation of the Company’s renaissance zone designation for property parcels 6-1843.5 and 6-1843.6 in the City/County of Jackson Renaissance Zone, Production Engineering Subzone effective in the tax year 2019.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the revocation of the Company's renaissance zone designation for property parcels 6-1843.5 and 6-1843.6 in the City/County of Jackson Renaissance Zone, Production Engineering Subzone effective in the tax year 2019.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the Fund Manager to take all action necessary to effectuate the terms of this Resolution.

Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

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Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-107**

**RENAISSANCE ZONE TRANSFER – EXTENSION TO EXECUTE AGREEMENT
Airgas USA, LLC**

WHEREAS, in 2005, the Michigan Strategic Fund (“MSF”) Board approved an Agricultural Processing Renaissance Zone for Green Plains Holdings II, LLC, a portion of which was transferred to Airgas Carbonic, Inc. (the “Zone”), as authorized in Section 4(4) of the Michigan Renaissance Zone Act, Public Act 376 of 1996 (the "Act"), as amended;

WHEREAS, on February 27, 2018, via MSF Board Resolution 2018-021, the MSF approved a transfer of the Zone to Airgas USA, LLC (the “Company”), conditioned upon a development agreement being executed between the Company and the MSF by May 27, 2018;

WHEREAS, due to administrative limitations, the development agreement between the MSF and the Company was not finalized by the deadline;

WHEREAS, the Michigan Economic Development Corporation (the "MEDC") administers the renaissance zone program; and

WHEREAS, the MEDC recommends the MSF Board approve an amendment to MSF Board Resolution 2018-021 to extend the deadline for execution of a development agreement between the Company and the MSF to December 31, 2019.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board amends MSF Resolution 2018-021 to extend the deadline for execution of a development agreement between the Company and the MSF to December 31, 2019; and

BE IT FURTHER RESOLVED, that the MSF Board authorizes the Fund Manager to take all action necessary to effectuate the terms of this Resolution.

Ayes: Carl Camden, Jeremy Hendges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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Lansing, MI 48913

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Rachael Eubanks
State Treasurer

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Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
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Lansing, MI 48913

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Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-108**

APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION PROGRAM OTHER ECONOMIC ASSISTANCE AWARD FOR TRIDENT CORKTOWN INVESTMENT, LLC OR RELATED ENTITIES

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for the MCRP;

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP, (ii) adopted the guidelines for the MCRP, as later amended (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the MCRP, (“Transaction Documents”);

WHEREAS, the Guidelines require that MCRP awards over \$1 million must be approved by the MSF Board;

WHEREAS, by Resolution 2016-200 on September 27, 2016 the MSF Board awarded a MCRP Other Economic Assistance Award to Trident Corktown L.L.C. and Trident Checker Historical, L.L.C. or Related Entities, in furtherance of the Project of up to \$6,900,000 (“Award”);

WHEREAS, the MEDC is recommending that the MSF approve the amendment recommendation to extend the Milestone Three Project Completion Requirements due date to March 31, 2020, with all other requirements remaining in place from the original approval (“MCRP Amendment Recommendation”).

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MCRP Amendment Recommendation;

Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-109**

**APPROVAL OF AMENDMENT #2 TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM GRANT AWARD FOR
600 E. MICHIGAN-LANSING, LLC**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for the MCRP;

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP, (ii) adopted the guidelines for the MCRP, as later amended (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the MCRP, (“Transaction Documents”);

WHEREAS, the Guidelines require that MCRP awards over \$1 million must be approved by the MSF Board;

WHEREAS, by Resolution 2018-222 on December 18, 2018 the MSF Board awarded a MCRP Grant Award to 600 E. Michigan-Lansing, LLC, in furtherance of the Project of up to \$1,500,000 (“Award”);

WHEREAS, by Resolution 2019-055 on April 23, 2019 the MSF Board approved a MCRP amendment to revise the MCRP award percentage of eligible investment to the lessor of up to 12% of eligible investment or \$1,500,000;

WHEREAS, the MEDC is recommending that the MSF approve the amendment recommendation to add Block 600, LLC as a Co-Applicant to the MCRP award, with all other requirements remaining in place as originally approved (“MCRP Amendment Recommendation”).

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MCRP Amendment Recommendation;

Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-110**

**APPROVAL OF AN AMENDMENT TO A MICHIGAN COMMUNITY REVITALIZATION
PROGRAM OTHER ECONOMIC ASSISTANCE AWARD FOR
DETROIT ENTREPRENEUR DEVELOPMENT, LLC
(LOFTS ON LOUIS PROJECT)**

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq., to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for the MCRP;

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF (i) created the MCRP, (ii) adopted the guidelines for the MCRP, as later amended (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2090-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the MCRP, (“Transaction Documents”);

WHEREAS, the Guidelines require that MCRP awards over \$1 million must be approved by the MSF Board;

WHEREAS, by Resolution 2016-216 on October 25, 2016 the MSF Board awarded a MCRP Other Economic Assistance Loan Participation Award to Detroit Entrepreneur Development, LLC, in furtherance of the Lofts on Louis Project for up to \$1,300,000 (“Award”);

WHEREAS, by Resolution 2019-074 on May 21, 2019 the MSF Board an amendment to the MCRP Transaction Documents to: 1) reduce the “Minimum Eligible Investment” requirement to \$5,132,000; and 2) extend the “Project Completion” and “Certification of Conversion” milestones to June 30, 2019;

WHEREAS, the MEDC is recommending that the MSF approve the amendment recommendation to amend the MCRP agreement to extend the “Project Completion” and “Certification of Conversion” milestones to September 30, 2019. All other requirements will remain in place from the original approval and previous amendment (“MCRP Amendment Recommendation”).

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MCRP Amendment Recommendation;

Ayes: Carl Camden, Jeremy Hendges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

RESOLUTION 2019-111

APPROVAL OF AMENDMENT TO MICHIGAN COMMUNITY REVITALIZATION PROGRAM GUIDELINES

WHEREAS, the Michigan legislature amended the Michigan Strategic Fund Act, MCL 125.2011 et. seq. (“Act”), to add Chapter 8C (being MCL 125.2090a – MCL 125.2090d, as further amended) to enable the Michigan Strategic Fund (“MSF”) to create and operate the Michigan Community Revitalization Program (“MCRP”) to provide incentives in the form of grants, loans and other economic assistance for redevelopment of communities in Michigan;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF for the MCRP;

WHEREAS, on December 21, 2011, by Resolution 2011-185, the MSF: (i) created the MCRP, (ii) adopted the guidelines for the MCRP (“Guidelines”), as later amended. Item 2 of the original Guidelines incorporated the statutory definition of eligible investment found at MCL 125.2090a(d); which statutory definition prohibited including any reimbursed hard costs as part of the eligible investment (and also allowed the MSF to determine those soft costs which shall not qualify as eligible investment under the MCRP);

WHEREAS, on July 25, 2012, by Resolution 2012-076, the MSF determined those soft costs that do not qualify as eligible investment under the MCRP, and amended Item 2 of the Guidelines;

WHEREAS, PA 395 2012 amended the definition of eligible investment under the MCRP to allow the inclusion of reimbursed hard costs as part of an eligible investment to the extent the hard costs have not been completely reimbursed;

WHEREAS, on February 27, 2013 by Resolution 2013-031, the MSF approved an amendment to the definition of eligible investment under the MCRP and amended Item 2 of the Guidelines to allow the inclusion of reimbursed hard costs as part of an eligible investment to the extent the hard costs have not been completely reimbursed;

WHEREAS, on July 22, 2014, by Resolution 2014-099, the MSF approved an amendment to amend the language to Item 3 of the MCRP Guidelines to establish the date that property eligibility is established;

WHEREAS, on September 22, 2015, by Resolution 2015-140, the MSF approved amended and restated Guidelines to better serve the customer, further define the program selection criteria, eligible investment and property eligibility;

WHEREAS, on May 24, 2016, by Resolution 2016-063, the MSF approved amended and restated Guidelines to establish preferred incentive parameters for projects approved under the MCRP;

WHEREAS, on April 23, 2019, by Resolution 2019-061, the MSF approved amended and restated Guidelines and rescinded Resolution 2013-031 to reflect recent changes in the Act and also to more closely align program requirements and project considerations and rescind;

WHEREAS, the MEDC recommends that the MSF approve the amendment to the Eligible Investment section of the Guidelines as documented in the attached “EXHIBIT A” (“Amendment Recommendation”); and

NOW, THEREFORE, BE IT RESOLVED, that the MSF hereby approves the Amendment Recommendation

Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan

July 23, 2019

EXHIBIT A

(proposed change is highlighted and in ALL CAPS)

MICHIGAN COMMUNITY REVITALIZATION PROGRAM GUIDELINES

PROGRAM GOALS

The Michigan Strategic Fund (MSF) Act, MCL 125.2011 et. seq. was amended to add Chapter 8C to create and operate the Michigan Community Revitalization Program (MCRP), administered by the Michigan Economic Development Corporation (MEDC) on behalf of the MSF. Community revitalization will accelerate private investment in areas of historical disinvestment, contribute to Michigan's reinvention as a vital, job-generating state, foster redevelopment of functionally obsolete properties, reduce blight, support the rehabilitation of historic resources, and protect the natural resources of this state. The focus of the MCRP is to encourage and promote capital investment and redevelopment of brownfield and historic preservation sites located in traditional downtowns and high-impact corridors.

ELIGIBLE APPLICANTS

Any person or multiple persons may apply to the MSF for approval of a MCRP incentive associated with a project.

PROJECT CONSIDERATIONS

The Michigan Strategic Fund (MSF) may provide support for a project in the form of a grant, direct loan or other economic assistance such as a loan participation or equity investment. All awards shall be performance-based.

Grants may be awarded for up to \$1.5 million as determined by need and competitiveness of the proposed project. A grant may include flexible terms and conditions. Grants shall also include provisions requiring grant funds to be paid back to the MSF when certain requirements are not met. Disbursement of grant funds will follow construction completion and issuance of a "Certificate of Occupancy" and completion of other performance-based criteria.

A loan participation arrangement requires the presence of a Senior Lender willing to lead the lending relationship and operate within the underwriting standards of the MEDC. It is anticipated the MSF's investment may have different terms from the Senior Lender's portion, but operate under the same loan agreement(s).

Equity investments may be considered for projects located in geographic markets considered transitional or tertiary by MEDC staff or projects with HUD/FHA financing as the primary source of financing.

Direct loans will only be used under special circumstances where a loan participation arrangement is not desirable. They may include flexible terms and conditions, all of which must be acceptable to the MSF Board or its delegates, including without limitation, below market interest rates, extended grace and repayment provisions, forgivable terms and no security, or some security (which also may be subordinated). These loans typically require that funds are disbursed following construction completion and issuance of a "Certificate of Occupancy", and completion of other performance-based criteria.

All projects are competitively evaluated. The most competitive projects will meet the **Community Development Guidance** standards including being located in an engaged or certified Redevelopment Ready Community. In addition to meeting or exceeding the Community Development criteria, the following financial conditions will be considered by staff when determining a project's competitiveness for MCRP support.

1. Senior Financing: Maximize all available senior financing with preference through a federally insured and regulated senior lender.
2. Fees: Minimize or defer all developer and other related-party fees.
3. Equity: Provide significant owner equity investment.
4. Debt Service Coverage Ratio: Ensure that the projected cash flow after MCRP incentive is applied is adequate to service debt.

The following **statutory criteria** will be evaluated by the MSF for all projects to the extent reasonably applicable:

1. The applicant's financial need for the incentive and whether the project is financially and economically sound (*Sec 90(b)(4)(d) & Sec 90(b)(4)(h)*).
2. The importance of the project to the community, the amount of local financial support to the project, and the level of private sector and other contributions to the project, such as federal tax credits (*Sec 90(b)(4)(a), Sec 90(b)(4)(c), and Sec 90(b)(4)(g)*).
3. Whether the project incorporates basic tenants of urban design by promoting mixed-use development, walkable communities and/or increasing the density of the area (*Sec 90(b)(4)(j) & Sec 90(b)(4)(i)*).
4. Whether the project will redevelop a brownfield and/or historic resource and/or a vacant structure; if historic, whether the project will follow the federal secretary of the interior's standards for rehabilitation of historic buildings, 36 CFR 67 (*Sec 90(b)(4)(e), Sec 90(b)(4)(m), and Sec 90(b)(4)(q)*).
5. Whether the project promotes sustainable development (*Sec 90(b)(4)(l)*).
6. The level and extent of environmental contamination (*Sec 90(b)(4)(p)*).
7. If the project will act as a catalyst for additional revitalization and/or addresses area-wide redevelopment strategies (*Sec 90(b)(4)(b) & Sec 90(b)(4)(n)*).
8. Creation of jobs (*Sec 90(b)(4)(f)*).
9. Whether the project addresses underserved markets of commerce; converts abandoned public buildings to private use; and if the project will compete with or affect existing Michigan businesses (*Sec 90(b)(4)(o), (Sec 90(b)(4)(k), & (Sec 90(b)(4)(r)*).
10. Any other additional criteria approved by the board that are specific to each individual project and are consistent with the findings and intent of this chapter (*Sec 90(b)(4)(s)*).

LEVEL OF SUPPORT

MSF support for a single project shall not exceed 25% of the eligible investment, and in no event shall the MSF support exceed a total of \$10,000,000 for any project (including any combination of loan, grant or other economic assistance). However, in a city, village, or township with a population of 15,000 or less (based on the most recent federal decennial census), the amount of community revitalization incentives for a project shall not exceed 50% of a project's eligible investment up to \$10,000,000. Additionally, the statute also allows that annually the MSF or its delegates may consider support for up to three single projects that shall not exceed 50% of the eligible investment for the specific purpose of historic preservation. Further, no part of the MSF support that is in the form of a grant shall exceed \$1,500,000 for any project.

ELIGIBLE PROPERTY

Documentation that the project is located on an eligible property is required at the time the pre-application is submitted. Eligible property includes one or more of the following:

Facility: As defined in Public Act 451 of 1994, MCL 324.20101, means any area, place, or property where a hazardous substance in excess of concentrations that satisfy the cleanup criteria for unrestricted residential use has been released, deposited, disposed of, or otherwise comes to be located. A Phase I and Phase II Baseline Environmental Assessment is used to determine whether the property is a facility. The MEDC will confirm with the Michigan Department of Environment, Great Lakes and Energy (DEGLE) who will certify the property as a facility after adequate documentation is received from the developer.

Historic Resource: A publicly or privately owned historic building or structure, individually listed, or located within a historic district designated by the National Register of Historic Places, the State Register of Historic Sites, or a local unit acting under the Local Historic Districts Act, 1970 PA 169. Documentation is required to verify any of the above designations.

Functionally Obsolete: Property that is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself, or the property's relationship with other surrounding property as determined by a Michigan Advanced Assessing Officer or a Michigan Master Assessing Officer.

Blighted: Property that meets any of the following criteria as determined by the respective unit of government, building official, or assessor when applicable:

- Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance;
- Is an attractive nuisance to children because of physical condition, use, or occupancy;
- Is a fire hazard, or is otherwise dangerous to the safety of persons or property;
- Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use;
- Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state;
- Is property owned, by or under the control of, a land bank fast track authority under the Land Bank Fast Track Act, 2003 PA 258; and
- Has substantial subsurface demolition debris buried on site so that the property is unfit for its intended use.

Adjacent or Contiguous: Other parcels that are adjacent or contiguous to qualifying property described above that is part of the same project and all properties are improved.

Neighborhood and Commercial Corridor Food Initiative ("Urban Grocery"): Property that will be used primarily as a retail supermarket, grocery store, produce market, or delicatessen that is located in a downtown area or in a development area as defined in section 2 of the [Corridor Improvement Authority Act](#). The qualifying project must not be less than one mile from another grocery provider and must provide unprocessed USDA-inspected meat and poultry products or meat products that carry the USDA organic seal, fresh fruits and vegetables, and dairy products for sale to the public.

Any Other Property: "Any Other Property" means property that when redeveloped as proposed will promote community revitalization, as determined by the MSF Board.

ELIGIBLE INVESTMENT

An eligible investment, is defined as at least one, or any combination of, the following expenditures which may have occurred prior to the MSF approval of the application and has not been completely reimbursed to, or paid for on behalf of, the applicant. Collectively these expenditures are eligible investments and are referred to as “Hard Costs”:

- a. Any fees or costs for alteration, construction, improvement, demolition, or rehabilitation of buildings of an approved project, including utility tap fees, and fees and costs paid to a governmental entity for permits, zoning, and inspections;
- b. Any fees or costs for site improvements to an approved project, including, a surface parking lot, parking garage, parking ramp, utilities and public infrastructure, such as roads, curbs, gutters, sidewalks, landscaping, lighting, grading and land balancing;
- c. Any fees or costs for the addition of machinery, equipment or fixtures to an approved project; or
- d. Professional fees or costs for an approved project for architectural services, engineering services, Phase I environmental site assessment, Phase II environmental site assessment, or Baseline Environmental Assessment, or surveying services.
- e. Professional fees associated with obtaining a third-party certification for environmentally sustainable design, building materials and/or development practices.

The MSF or MSF Fund Manager, on its behalf, may impose additional terms and conditions involving any Hard Costs that meet eligibility for reimbursement under any tax increment financing, including requiring those costs to be repaid to the MSF, or excluding any such costs from Hard Costs.

In no event shall any of the following, which are collectively referred to as “Soft Costs”, be deemed any part of the Hard Costs:

- a. acquisition fees or costs for real property,
- b. developer fees or costs,
- c. closing fees or costs,
- d. legal fees or costs,
- e. professional fees or costs (other than those included above as part of the Hard Costs),
- f. title commitment fees or costs,
- g. title insurance fees, premiums or costs,
- h. management fees or costs (including Project management and **RELATED PARTY** construction management),
- i. appraisal fees or costs,
- j. bank or other lender financing, interest, or inspection fees or costs,
- k. leasing or sales commission fees or costs,
- l. shared savings, or fees or costs arising from penalties or other reductions in payment from any contract for improvements to the Project,
- m. performance bond and other risk contingency fees and costs,
- n. marketing fees or costs,
- o. zoning fees or costs (other than those zoning fees or costs paid to a governmental entity included above as part of the Hard Costs),
- p. taxes, or
- q. hazard, liability or any other insurance fees and costs.

PROJECT EVALUATION, PROCESS AND MSF SUPPORT

MCRP requests for MSF support will go through the following general process:

1. Applicant provides pre-application including proforma, and initial supporting documentation.

2. MEDC leadership considers project based on Community Development Guidance standards and financial need.
3. MEDC provides Letter of Interest, when appropriate.
4. Applicant provides completed application package with all supporting documents.
5. MEDC completes statutory review, full financial review and provides proposed financial structure and term sheet.
6. Michigan Strategic Fund Board considers project.
7. If project is approved, applicant pays pre-closing fees.
8. MEDC drafts appropriate legal agreement and agreements are executed at closing.
9. Applicant completes milestones necessary for disbursement of funds by MEDC.
10. Applicant completes required reporting following project completion.
11. MEDC completes compliance verification and project closeout.

All MSF support shall be memorialized by final written grant, loan or other economic assistance agreements, with terms and conditions in accordance with state law, these guidelines and otherwise satisfactory to the MSF, including, without limitation, requiring performance-based milestones which shall govern disbursements; and requiring periodic reporting of data, financial information, and any other information required to facilitate reporting to the MSF and the Michigan legislature, including periodic reporting after completion of a project. The program may require applicants to pay reasonable application fees, and any other expenses incurred in administering the program.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-112**

WILLOW RUN ARSENAL OF DEMOCRACY LANDHOLDINGS LIMITED PARTNERSHIP

CONSENT TO LIMITED PARTNERSHIP ACTIONS TO EFFECTUATE THE TRANSFER AND ASSIGNMENT OF REAL PROPERTY INTERESTS, AND THE SUBSEQUENT LIQUIDATION, WIND-UP, DISSOLUTION, AND OTHER ANCILLARY ACTIONS ARISING THEREFROM

WHEREAS, the Michigan legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., to enable the Michigan Strategic Fund (“MSF”) to provide incentives in the form of grants, loans and other economic assistance for the development and improvement of Michigan’s economy;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF;

WHEREAS, as part of the 21st Century Jobs Trust Fund initiative, and pursuant to MCL125.2088h(1), the Jobs for Michigan investment fund was created as a permanent fund authorized by the state constitution (“Investment Fund”);

WHEREAS, pursuant to MCL 125.2088(h)(5)(b), the Investment Fund consists of, among other things, return on investments, return on principal, payments made, or other money received by or payable to the MSF under agreements related to grants, loans or investments made by the MSF under Chapter 8A or Chapter 8C;

WHEREAS, pursuant to MCL 125.2088(h)(3), the Investment Fund shall be invested as authorized under Chapter 8A for the purpose of creating incentives for activities arising out of retaining or creating jobs, or increasing capital investment activity, or increasing commercial lending activity or encouraging the development and commercialization of competitive edge technologies, or revitalizing Michigan communities;

WHEREAS, pursuant to Chapter 8A, specifically, MCL 125.2088(b)(2)(c), Investment Fund monies are authorized to be invested for programs or activities authorized under the MSF Act as long as the programs or activities provide for repayment for breach of the written agreement or the failure to meet measurable outcomes;

WHEREAS, pursuant to the MSF Act, specifically, MCL 125.2007(c), the MSF has, among other things, the power to make investments;

WHEREAS, on March 22, 2016, by Resolution 2016-026, the MSF approved the MSF’s participation as a senior Class A limited partner in the Willow Run Arsenal of Democracy Landholdings Limited Partnership (“WRAD”);

WHEREAS, on March 22, 2016, by Resolution 2016-026, the MSF approved an initial grant (up to \$2,999,900) to WRAD and initial MSF equity investment (up to \$100) into WRAD, for then total MSF investment in WRAD of \$3 million;

WHEREAS, on April 1, 2016, the MSF entered into the Limited Partnership Agreement for WRAD, as later amended and restated (“LPA”);

WHEREAS, WRAD which was formed for the purpose of acquiring the former Willow Run Powertrain Plant real property parcels in Ypsilanti, Michigan and was intended to facilitate the ultimate re-development and operation of the property and surrounding area and roads (which includes a certain parcel of real property known as Old Ecorse Road) (collectively, “Real Property”) and for connected and automated vehicle technology, research, validation and testing facilities (collectively, the “Project”);

WHEREAS, on July 26, 2016, by Resolution 2016-122, the MSF approved an additional MSF equity investment into WRAD of up to an additional \$17 million for activities arising out of the Project for a then total MSF investment in WRAD for the Project of up to \$20 million;

WHEREAS, on October 6, 2016, WRAD and ACM entered into that certain Investment Agreement, as later amended and restated (“WRAD Investment Agreement), memorializing WRAD’s investment in the Project, and among other things, the milestone requirements for ACM relative to any disbursements from WRAD;

WHEREAS, on November 4, 2016, WRAD closed on the purchase of Real Property and entered into a ground lease with the American Center for Mobility (“ACM”) for ACM’s redevelopment and operation of the Project (“Closing”);

WHEREAS, on April 25, 2017, by Resolution 2017-058, the MSF approved an additional MSF equity investment into WRAD of up to an additional \$15 million for activities arising out of the Project, for a then total MSF investment in WRAD for the Project of up to \$35 million (the entirety of the MSF investment, collectively, the “MSF Award to WRAD”);

WHEREAS, ACM has met all its required milestones under the WRAD Investment Agreement, and desires to move toward subsequent phases of development of the Project;

WHEREAS, the LPA requires WRAD obtain the prior consent of the MSF to effectuate certain limited partnership actions, including without limitation, transferring all or substantially all the assets of WRAD and liquidating, dissolving and winding up WRAD;

WHEREAS, to facilitate ACM’s ability to further develop the Project, WRAD has requested that the MSF consent to permit WRAD to take all actions deemed necessary and appropriate to carry out (i) the transfer of fee simple ownership of the Real Property from WRAD to ACM, along with effectuating assignments, amendments and/or terminations of necessary Closing and post-Closing agreements arising out of the Project, including all ancillary agreements arising therefrom, and (ii) the subsequent liquidation, wind-up and dissolution of WRAD, including filing all certificates, and effectuating the terms and conditions set forth on Exhibit A (collectively, the “WRAD Actions”); and

WHEREAS, the MEDC recommends that the MSF Board authorize and approve all consents and consent actions required under the LPA that are necessary or appropriate to authorize the WRAD Actions.

NOW THEREFORE, BE IT RESOLVED, the MSF Board authorizes and approves all consents and consent actions required under the LPA that are necessary or appropriate to authorize the WRAD Actions (collectively, the “MSF Consent”).

BE IT FURTHER RESOLVED, the MSF Board authorizes and approves the MSF Fund Manager or the MSF President to further negotiate the necessary terms and conditions of the MSF Consent to effectuate the WRAD Actions, including any amendments to the LPA and other ancillary documents arising therefrom; authorizes and approves the MSF Fund Manager or MSF President to sign all documents necessary to effectuate the foregoing; and authorizes and approves the MSF Fund Manager or the MSF President to further approve any other terms and conditions that are deemed necessary and appropriate from time to time to implement the MSF Consent and the WRAD Actions.

Ayes: Carl Camden, Jeremy Hendges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019

EXHIBIT A

Limited Partnership:	Willow Run Arsenal of Democracy Landholdings Limited Partnership Lansing, Michigan (“WRAD”)
General Partner:	Willow Run Land Management Services, a non-profit directorship-based entity which contributes management services to the LP
Limited Partner:	MSF, a senior Class A limited partner
Project:	The former Willow Run Powertrain Plant and surrounding areas and roads, Ypsilanti, Michigan, developed and currently operated by the American Center for Mobility (“ACM”)

Terms and Conditions:

WRAD Actions are subject to:

- a. ACM’s continued obligation to repay WRAD as set forth in the WRAD Investment Agreement (including ACM’s obligation to repay so much of the total amount of \$35 million ultimately disbursed by WRAD, plus interest to accrue at the current rate of two and one-half percent (2.5%) per annum, from and after January 1, 2025, and continuing each month thereafter in equal installments of principal and interest (required payments currently set to be paid through December 1, 2055)) (“ACM’s Payment Obligations”); and
- b. Coincident with the transfer of fee simple ownership of the Real Property from WRAD to ACM, WRAD shall require ACM to sign and deliver to WRAD all documents deemed necessary by WRAD to memorialize and effectuate WRAD Actions, as well as to secure ACM’s Payment Obligations by a first mortgage and assignment of leases and rents on all of the Real Property in favor of WRAD (“Collateral”); and
- c. The business of WRAD, and the subsequent liquidation, dissolution and wind-up of WRAD shall be conducted in accordance with the LPA, and continue to include that ACM may request so much of any remaining amounts of original \$35 million MSF Award to WRAD after payment of all operational expenses, transfer and any other taxes, fees and costs of, and retention of reserves deemed necessary by, WRAD, and that the MSF shall be entitled to distributions from WRAD consistent with the MSF as a senior, Class A limited partner in WRAD, including effectuating the distribution, transfer and/or assignment from WRAD to the MSF of ACM’s Payment Obligations and the Collateral.

Other Matters to be included:

WRAD, and subsequently upon distribution, transfer and/or assignment to the MSF, the MSF, shall be entitled to take all action to subordinate and/or release Collateral, and sign and deliver all ancillary documents that may arise from time to time, on any terms and conditions they deem appropriate, toward the continued development and operation of the Project by ACM, so long as the ACM Payment Obligations remain.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-113**

**MICHIGAN BUSINESS DEVELOPMENT PROGRAM GRANT
KNAUF INSULATION, INC.**

WHEREAS, the Michigan legislature passed legislation establishing the 21st Century Jobs Trust Fund initiative that was signed into law;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the Michigan Strategic Fund (“MSF”) for 21st Century Jobs Trust Fund programs;

WHEREAS, pursuant to MCL 125.2088r, the MSF shall create and operate the Michigan Business Development Program (“MBDP”) to provide grants, loans and other economic assistance to qualified businesses that make qualified investments or provide qualified new jobs in Michigan;

WHEREAS, on December 21, 2011, by Resolution 2011-184, the MSF (i) created the MBDP, and (ii) adopted the guidelines for the MBDP (“Guidelines”);

WHEREAS, pursuant to SFCR 125.2088r-1, the MSF approved the MSF Fund Manager or the MSF President to negotiate the terms and conditions and execute all final documents necessary to effectuate awards and decisions approved under the MBDP in accordance with the Guidelines (“Transaction Documents”);

WHEREAS, Knauf Insulation, Inc. (“Company”) has requested a performance based MBDP grant of up to \$204,000 (“Grant Request”), along with other general terms and conditions which are outlined in the term sheet attached as Exhibit A (“Term Sheet”); and

WHEREAS, the MEDC recommends that the MSF approve the Company’s Grant Request in accordance with the Term Sheet, subject to: (i) available funding, (ii) final due diligence performed to the satisfaction of the MEDC; and (iii) execution of the Transaction Documents, within 120 days of the date of this Resolution (“Time Period”), or this Resolution shall have no effect; provided however, at the sole discretion of the MSF Fund Manager, the Time Period may be extended for up to an additional 60 days (“MBDP Award Recommendation”).

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the MBDP Award Recommendation.

Ayes: Carl Camden, Jeremy Hendges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

EXHIBIT A
MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Incentive - Term Sheet - Summary

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP").

Date: June 27, 2019

Company Name: Knauf Insulation, Inc. and/or its affiliates and subsidiaries.

Project Location: 1000 East North Street
Albion, Michigan 49224

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to \$204,000

Base Employment Level: At least 156

Qualified New Jobs: At least 34

Municipality Supporting Project: City of Albion has agreed to provide staff, financial or economic assistance in support of the project.

Start Date for Measurement of Creation of Qualified New Jobs: June 18, 2019 (offer acceptance)

Term of the Agreement: May 31, 2022

Milestone Based Incentive: Disbursements will be made over a 2 year period and will be performance based on job creation as follows:
Milestone 1: \$120,000 for the creation of 20 jobs.
Milestone 2: \$84,000 for the creation of 14 jobs.

The detailed numbers, and statutorily required repayment and reporting provisions, will be reflected in the subsequent transaction documents.

Acknowledged as received by:

Knauf Insulation, Inc.

By:



Printed Name:

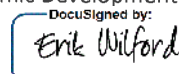
JEFFREY BRISLEY

Its:

SVP - Business Development

Michigan Economic Development Corporation

By:

DocuSigned by:


Printed Name:

Erik Wilford

Its:

Business Development Project Manager



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-114**

**STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION
KNAUF INSULATION, INC.**

WHEREAS, the Michigan Legislature passed legislation, 2014 PA 80, to revise the personal property tax system so as to allow individuals, small businesses, and large businesses to thrive and create jobs in the State of Michigan, but which needed to be approved by the qualified electors of the State of Michigan;

WHEREAS, on August 5, 2014, the qualified electors of the State of Michigan approved the legislation to revise the personal property tax system. The approval enacted 2014 PA 92 and 2014 PA 93, the State Essential Services Assessment Act (“SESA”) and the Alternative State Essential Services Assessment Act (“Alternative SESA”);

WHEREAS, SESA and Alternative SESA authorized the creation and operation of the SESA and the Alternative SESA Exemption Program by the MSF pursuant to MCL 211.1059;

WHEREAS, on October 28, 2014, the MSF Board approved the SESA and Alternative SESA Exemption Program Guidelines (“SESA and Alternative SESA Guidelines”).

WHEREAS, the Company has requested that the MSF Board approve a SESA exemption of up to 15 years and a maximum investment in Eligible Personal Property of \$31,135,000, as defined in the SESA and Alternative SESA Exemption Guidelines, in the City of Albion (“SESA Exemption Recommendation”);

WHEREAS, the MEDC recommends the MSF Board approve the SESA Exemptions Recommendation and require a one-time administrative fee in the amount of \$7,083.25, payable to the MEDC upon completion of the first performance milestone;

NOW, THEREFORE, BE IT RESOLVED, the MSF Board approves the SESA Exemption Recommendation.

Ayes: Carl Camden, Jeremy Hendges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

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Lansing, MI 48913

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Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-115**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
MACK AND CONNOR REDEVELOPMENT PROJECT**

WHEREAS, the Michigan Economic Growth Authority (“MEGA”) has been established by 1995 PA 24, as amended (the “Act”);

WHEREAS, 2002 PA 727 amended 1996 PA 381, MCL 125.2651 et seq, to empower local brownfield redevelopment authorities to request the MEGA Board to approve a brownfield project work plan and, thereby, capture taxes levied for school operating purposes for the project;

WHEREAS, Executive Order 2012-9 transferred all the authority, powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations or other funds of the MEGA to the Michigan Strategic Fund (“MSF”);

WHEREAS, captured school operating tax revenues may be used under 1996 PA 381 as amended, for infrastructure improvements that directly benefit eligible property, for lead, asbestos, or mold abatement, and for demolition and site preparation that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property that includes 286 parcels, each individually listed with corresponding addresses in the associated Brownfield Plan, within the City Detroit, known as Mack and Connor Redevelopment Project (the “Project”);

WHEREAS, the City of Detroit is a “qualified local governmental unit” and is eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) public infrastructure improvements; d) site preparation; e) brownfield and work plan preparation; f) brownfield and work plan implementation and g) interest as provided under 2007 PA 204; and

WHEREAS, the Authority is requesting MSF approval to capture additional taxes levied for school operating purposes to provide for the reimbursement of the cost of eligible activities on an eligible property; and

WHEREAS, the Authority is requesting MSF concurrence to designate 276 parcels of eligible property identified in the Brownfield Plan and Work Plan as a Targeted Redevelopment Area, provided that the eligible property is designated as a Targeted Redevelopment Area by the Detroit City Council prior to July 24, 2019; and

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF and has reviewed the application and recommends approval of the Brownfield Work Plan and designation as a Targeted Redevelopment Area by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 36.59% to 63.41% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead and asbestos abatement, and property acquisition for economic development purposes as presented in the Work Plan dated July 17, 2019, provided that the Brownfield Plan is approved via resolution by the Detroit City Council prior to July 24, 2019. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of \$82,823,618 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$10,000,000 in interest, a maximum of \$15,000 for Brownfield/Work Plan preparation, and a maximum of \$15,000 for Brownfield/Work Plan implementation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$33,977,977.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager, to provide written notification to the Authority, in the form of a letter which incorporates the terms set forth in this Resolution and consistent with the limitations of the Act, and that this approval is further conditioned upon the Authority, or the City, as appropriate, maintaining adequate records regarding: a) all taxes captured for the project; and b) receipts or other appropriate documentation of the cost of eligible activities. The records shall be made available for review upon request by MSF or MEDC staff.

BE IT FURTHER RESOLVED, that the MSF Board is designating 276 parcels of eligible property identified the Brownfield Plan and Work Plan as a Targeted Redevelopment Area provided that the Detroit City Council approves the same 276 parcels of eligible property as a Targeted Redevelopment Area prior to July 24, 2019.

BE IT FURTHER RESOLVED, that the MSF Board is authorizing that capture of taxes levied for school operating purposes for the payment of interest, up to a maximum of \$10,000,000 related to the eligible activities for the Project.

Ayes: Carl Camden, Jeremy Hendges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN
STRATEGIC FUND LIMITED OBLIGATION REVENUE AND REVENUE
REFUNDING BONDS (HOLLAND HOME OBLIGATED GROUP), SERIES 2019
(THE “BONDS”)

Resolution 2019-116

A. The Michigan Strategic Fund (the “Fund”) is authorized by 1984 PA 270, as amended (the “Act”), to issue bonds for the purpose of making loans to pay the costs of a project (as defined in the Act).

B. Holland Home, a Michigan nonprofit corporation (the “Obligor”), has requested a loan from the Fund to: (i) fund renovation, furnishing and equipping of a portion of the existing facility located at 2100 Raybrook Street SE, Grand Rapids, Kent County, Michigan, which houses the Obligor’s corporate and support staff and corporate operations and support staff for several related tax-exempt entities but excluding that portion of the facility for use that is unrelated to the Obligor and its related tax-exempt entities, together with related site and other improvements; (ii) fund renovation, furnishing and equipping of a portion of the existing facility, Raybrook Manor, a licensed home for the aged and skilled nursing facility, located at 2121 Raybrook Street SE, Grand Rapids, Kent County, Michigan, together with related site and other improvements; (iii) fund renovation, furnishing and equipping of a portion of the existing facility, Breton Rehabilitation and Living Centre, a licensed adult foster care and skilled nursing facility, located at 2589 44th Street SE, Kentwood, Kent County, Michigan; (iv) fund construction, furnishing and equipping of a new 15-room assisted living facility to be a licensed adult foster care and to be located at 2495 and 2505 44th Street SE, Kentwood, Kent County, Michigan, together with related site and other improvements; (v) currently refund the outstanding principal balance of the Michigan Strategic Fund Variable Rate Demand Limited Obligation Revenue Bonds, Series 2004 (Holland Home Obligated Group); (vi) currently refund the outstanding principal balance of the Michigan Strategic Fund Variable Rate Demand Limited Obligation Refunding Revenue Bonds, Series 2005A (Holland Home Obligated Group); (vii) currently refund the outstanding principal balance of the Michigan Strategic Fund Variable Rate Demand Limited Obligation Refunding Revenue Bonds, Series 2005B (Holland Home Obligated Group); (viii) fund a debt service reserve fund to secure the Bonds; and (ix) pay costs of issuance of the Bonds (collectively the “Project”). The Project is owned and operated by the Obligor in furtherance of its charitable mission to provide personal care and health care services to seniors through the operation of licensed homes for the aged, licensed skilled nursing facilities and a licensed inpatient/residential hospice facility.

C. The Obligor has requested the Fund to issue the Bonds in a principal amount of not to exceed \$35,000,000 pursuant to this resolution (the “Resolution”) and a bond indenture (the “Indenture”), between the Fund and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Trustee”) dated as of September 1, 2019, relating to the Bonds to obtain funds which will be loaned to the Obligor pursuant a loan agreement between the Fund and the Obligor (the “Loan Agreement”) dated as of September 1, 2019, to pay costs of the Project.

D. As security for the payment of the Bonds, the Obligor will issue and deliver its Holland Home Obligated Group – Michigan Strategic Fund – Direct Note Obligation – Series 2019 (the “Series 2019 Obligation”), pursuant to the terms of a Twenty-Second Supplemental Master Trust Indenture (the “Twenty-Second Supplemental Master Trust Indenture”), between the Obligor, for itself and as Obligated Group Representative on behalf of the Holland Home Obligated Group, and The Bank of New York Mellon Trust Company, N.A., as master trustee.

E. The Bonds will be issued as fully registered bonds in the denomination of \$5,000 and integral multiples of \$5,000 in excess thereof.

F. The Bonds will be purchased by the B.C. Ziegler and Company, as underwriter (the “Underwriter”) pursuant to a bond purchase agreement among the Underwriter, the Fund, and the Obligor (the “Bond Purchase Agreement”).

NOW, THEREFORE, Be It Resolved by the Board of the Fund:

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the loan requested by the Obligor, the issuance of the Bonds is authorized.

The terms of the Bonds shall be substantially in the form contained in the Indenture, with the changes permitted or required by action of the Fund or the Indenture. The Bonds shall bear the manual or facsimile signature of a member of the Fund’s Board of Directors (a “Member”) or of a person authorized by Board Resolution to sign Bond documents on behalf of the Fund (an “Authorized Officer”), and the official seal of the Fund (or a facsimile of the seal) shall be impressed or imprinted on the Bonds.

The Bonds and the interest and any premium on the Bonds are not a debt or obligation of the State of Michigan or a general obligation of the Fund within the meaning of any constitutional or statutory limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be limited obligations of the Fund payable solely from the revenues derived from the Loan Agreement and otherwise as provided in the Indenture.

SECTION 2. Approval, Execution and Delivery of Documents. The forms of the following documents, on file with the staff of the Fund and on which have been endorsed by the staff of the Fund the date of adoption of this Resolution, are approved:

- a. Loan Agreement
- b. Indenture
- c. Bond Purchase Agreement

Any Member and Authorized Officer are authorized to execute and deliver the Bond Purchase Agreement and any Member or Authorized Officer is authorized to execute and deliver the remaining documents identified in this Section in substantially the forms approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 3. Completion of Document Terms. Any Member may approve the initial interest rate applicable to the Bonds, which shall not be more than 7% per annum, and the principal amount of the Bonds, which shall not be greater than \$35,000,000. Approval of those terms shall be evidenced by the Member's execution of the Bond Purchase Agreement.

SECTION 4. Acknowledgement of Collateral Documents. The forms of the Series 2019 Obligation and Twenty-Second Supplemental Master Trust Indenture on file with the staff of the Fund and on which has been endorsed by the staff of the Fund the date of adoption of this Resolution, are acknowledged with the changes made by the parties as are permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 5. Sale and Delivery of the Bonds. A Member or an Authorized Officer shall execute, seal, and deliver the Bonds upon receipt of the following documents and payment of the purchase price for the Bonds:

- a. an opinion of bond counsel to the Fund acceptable to the Fund and the Attorney General of the State of Michigan (the "Attorney General"),
- b. an opinion of counsel to the Obligor and necessary certificates and representations of the Obligor acceptable to the Fund, the Attorney General, and bond counsel, and
- c. an approving opinion of the Attorney General.

Upon receipt, the proceeds of the Bonds shall be paid over to the Trustee to be credited in accordance with the Indenture.

SECTION 6. Designation of Certain Parties. The Trustee's acceptance of duties as trustee shall be evidenced by its execution of the Indenture.

SECTION 7. Preliminary Official Statement and Official Statement. The use and distribution by the Underwriter of a Preliminary Official Statement to solicit offers to purchase the Bonds, in substantially the form on file with the Fund and on which an Authorized Officer shall endorse the date of adoption of this Resolution, is authorized. The use and distribution of an Official Statement in substantially the same form as the Preliminary Official Statement is approved. Any Member or Authorized Officer is authorized to approve changes in the Preliminary Official Statement or Official Statement as may be necessary or desirable, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 8. Authorization of Filings, Submissions and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Indenture, the Loan Agreement, or the Bond Purchase Agreement, or as may be necessary to effectuate the valid issuance, sale and delivery of the Bonds as tax-exempt bonds and otherwise as contemplated by those documents.

SECTION 9. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bonds are not delivered to their original purchaser on or before September 20, 2019, the authority granted by this Resolution shall lapse.

Adopted.

Ayes: Carl Camden, Jeremy Hendges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

July 23, 2019
Lansing, Michigan



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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Michigan Strategic Fund Office
300 N. Washington Square
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If you need anything additional, please contact Kara Kabia at (517) 241-2624.

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State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

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Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

RESOLUTION TO AUTHORIZE THE ISSUANCE OF THE MICHIGAN
STRATEGIC FUND LIMITED OBLIGATION REVENUE BONDS
(UNITED STATES STEEL CORPORATION PROJECT),
Series 2019

Resolution 2019-117

Background

A. The Michigan Strategic Fund (the “Fund”) is authorized by 1984 PA 270, as amended (the “Act”), to issue bonds for the purpose of making loans to pay the costs of a project (as defined in the Act).

B. United States Steel Corporation, a Delaware corporation qualified as a foreign profit corporation in Michigan (the “Obligor”), has requested a loan from the Fund to assist the Obligor in financing the acquisition and installation of solid waste disposal improvements at two facilities located in Ecorse and River Rouge, Wayne County, Michigan (the “Project”). The Project will be owned and operated by the Obligor in its business of manufacturing of flat-rolled and tubular steel products.

C. The Obligor has requested the Fund to issue the Bonds in a principal amount not to exceed \$26,000,000 pursuant to this resolution (the “Resolution”) and a trust indenture (the “Indenture”), between the Fund and The Bank of New York Mellon Trust Company, N. A., a national banking association, as trustee (the “Trustee”), dated as of August 1, 2019, relating to the Bonds to obtain funds which will be loaned to the Obligor pursuant to a loan agreement, dated as of August 1, 2019, between the Fund and the Obligor (the “Loan Agreement”) to pay costs of the Project.

D. The Bonds will be purchased by Morgan Stanley & Co. LLC, as underwriter (the “Underwriter”), pursuant to a bond purchase agreement among the Underwriter, the Fund, and the Obligor (the “Bond Purchase Agreement”).

NOW, THEREFORE, Be It Resolved by the Board of the Fund:

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the loan requested by the Obligor, the issuance of the Bonds is authorized.

The terms of the Bonds shall be substantially in the form contained in the Indenture, with the changes permitted or required by action of the Fund or the Indenture. The Bonds shall bear the manual or facsimile signature of a member of the Fund’s Board of Directors (a “Member”) or of a person authorized by Board Resolution to sign Bond documents on behalf of the Fund (an “Authorized Officer”), and the official seal of the Fund (or a facsimile of the seal) shall be impressed or imprinted on the Bonds.

The Bonds and the interest and any premium on the Bonds are not a debt or obligation of the State of Michigan or a general obligation of the Fund within the meaning of any constitutional or statutory limitation and do not constitute a charge against the credit or taxing powers of the State of Michigan or the general funds or assets of the Fund (including funds relating to other Fund loans or activities), but shall be a limited obligation of the Fund payable solely from the revenues derived from the Loan Agreement and otherwise as provided in the Indenture.

SECTION 2. Approval, Execution, and Delivery of Documents. The forms of the following documents, on file with the staff of the Fund and on which has been endorsed by the staff of the Fund the date of adoption of this Resolution, are approved:

- a. Loan Agreement
- b. Indenture
- c. Bond Purchase Agreement

Any Member and Authorized Officer are authorized to execute and deliver the Bond Purchase Agreement and any Member or Authorized Officer is authorized to execute and deliver the remaining documents identified in this Section, in substantially the forms approved, with any changes as are considered necessary or desired by him or her, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 3. Completion of Document Terms. Any Member may approve the initial interest rate applicable to the Bonds, which shall not be more than 8.0% per annum, and the principal amount of the Bonds, which shall not be more than \$26,000,000. Approval of those terms shall be evidenced by the Member's execution of the Bond Purchase Agreement.

SECTION 4. Sale and Delivery of the Bonds. A Member or an Authorized Officer shall execute, seal, and deliver the Bonds upon receipt of the following documents and payment of the purchase price for the Bonds:

- a. an opinion of bond counsel to the Fund acceptable to the Fund and the Attorney General of the State of Michigan (the "Attorney General"),
- b. an opinion of counsel to the Obligor and necessary certificates and representations of the Obligor acceptable to the Fund, the Attorney General, and bond counsel, and
- c. an approving opinion of the Attorney General.

Upon receipt, the proceeds of the Bonds shall be paid over to the Trustee to be credited in accordance with the Indenture.

SECTION 5. Designation of Certain Parties. The Bank of New York Mellon Trust Company, N.A.'s acceptance of duties as Trustee shall be evidenced by its execution of the Indenture.

SECTION 6. Preliminary Official Statement and Official Statement. The use and distribution by the Underwriters of a Preliminary Official Statement to solicit offers to purchase the Bonds, in substantially the form on file with the Fund and on which an Authorized Officer shall endorse the date of adoption of this Resolution, is ratified. The use and distribution of an Official Statement in substantially the same form as the Preliminary Official Statement is approved. Any Member or Authorized Officer is authorized to approve changes in the Preliminary Official Statement or Official Statement as may be necessary or desirable, permitted by the Act or otherwise by law, and not materially adverse to the Fund.

SECTION 7. Authorization of Filings, Submissions, and Other Documents. Any Member or Authorized Officer, as well as counsel to the Fund, is authorized to apply for or submit, execute, and deliver the other certificates, documents, opinions, and papers to any party or governmental agency as may be required by the Loan Agreement, the Indenture, or the Bond Purchase Agreement or as may be necessary to effectuate the valid issuance, sale, and delivery of the Bonds as tax-exempt bonds and otherwise as contemplated by those documents.

SECTION 8. Conflict and Effectiveness. All resolutions or other proceedings of the Fund in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption. If the Bonds are not delivered to their original purchaser on or before September 20, 2019, the authority granted by this Resolution shall lapse.

Adopted.

Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

July 23, 2019
Lansing, Michigan



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-118**

**APPROVAL OF A BROWNFIELD ACT 381 TRANSFORMATIONAL BROWNFIELD PLAN
COUNTY OF KALAMAZOO BROWNFIELD REDEVELOPMENT AUTHORITY
THE MILL AT VICKSBURG PROJECT**

WHEREAS, the Michigan Economic Growth Authority (“MEGA”) has been established by 1995 PA 24, as amended (the “Act”);

WHEREAS, 2002 PA 727 amended 1996 PA 381, MCL 125.2651 et seq, to empower local brownfield redevelopment authorities to request the MEGA Board to approve a brownfield project work plan and, thereby, capture taxes levied for school operating purposes for the project;

WHEREAS, Executive Order 2012-9 transferred all the authority, powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations or other funds of the MEGA to the Michigan Strategic Fund (“MSF”);

WHEREAS, Public Act 46 of 2017 amended Act 381 to allow a governing body and the MSF to approve transformational brownfield plans;

WHEREAS, captured school operating tax revenues, construction period tax capture revenues, sales and use tax exemption, income tax capture revenues, withholding tax capture revenues, may be used under 1996 PA 381 as amended, for demolition, construction, restoration, alteration, renovation or improvement of buildings, or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property, or for lead, asbestos, or mold abatement, and for demolition and that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, the County of Kalamazoo Brownfield Redevelopment Authority (the “Authority”) has submitted a transformational brownfield plan for 9 parcels identified in the associated Brownfield Plan within the Village of Vicksburg, and Schoolcraft Township, known as The Mill at Vicksburg Project (the “Project”);

WHEREAS, the Village of Vicksburg and Schoolcraft Township are not “qualified local governmental units” and are eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) brownfield and work plan preparation; d) brownfield and work plan implementation and e) interest as provided under 2007 PA 204;

WHEREAS, the Authority and Paper City Development, LLC (the “Developer”) are requesting MSF approval of the following actions:

- 1) capture of \$19,855,332 in local and school property tax capture revenues;
- 2) a sales and use tax exemption of up to \$1,491,852 during the construction period of the Project;
- 3) capture up to \$738,521 in construction period tax capture revenues; and
- 4) capture up to \$7,988,721 in post-construction income tax capture revenues and post-construction withholding tax capture revenues.

(the aforementioned, collectively, the “Transformational Brownfield Plan Designation”);

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF and has reviewed the application and recommends approval of the Transformational Brownfield Plan Designation and the Program Guidelines Waiver by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Transformational Brownfield Plan Designation; and

BE IT FURTHER RESOLVED, that no taxes levied for school operating purposes shall be used to reimburse interest costs related to the eligible activities for the Project; and

BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate all final terms and conditions and execute all documents necessary to effectuate the Transformational Brownfield Designation in accordance with the terms set forth in this Resolution and consistent with the requirements of Act 381, as amended.

Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-119**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF HOLLAND BROWNFIELD REDEVELOPMENT AUTHORITY
PARKING DECK NORTH OF 7TH STREET BETWEEN COLUMBIA AVENUE AND COLLEGE
AVENUE PROJECT
AMENDMENT #1**

WHEREAS, the Michigan Economic Growth Authority (“MEGA”) has been established by 1995 PA 24, as amended (the “Act”);

WHEREAS, 2002 PA 727 amended 1996 PA 381, MCL 125.2651 et seq, to empower local brownfield redevelopment authorities to request the MEGA Board to approve a brownfield project work plan and, thereby, capture taxes levied for school operating purposes for the project;

WHEREAS, Executive Order 2012-9 transferred all the authority, powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations or other funds of the MEGA to the MSF;

WHEREAS, the MEGA Board approved a Work Plan request for Parking Deck North of 7th Street Between Columbia Avenue and College Avenue (the “Project”), by Resolution 2007-93 on November 13, 2007, authorizing the Authority to capture taxes levied for school operating purposes based on a maximum of \$4,031,000 in eligible activities;

WHEREAS, the City of Holland Brownfield Redevelopment Authority (the “Authority”) wishes to amend the scope of the Project to include the new construction of a 3-story, 20,000 square foot, multi-tenant commercial building, approximately 46,808 square feet of publicly maintained snowmelt-equipped sidewalks, and public restrooms and increasing the maximum amount for eligible costs;

WHEREAS, the Authority is requesting MSF approval to capture additional taxes levied for school operating purposes to provide for the reimbursement of the cost of eligible activities on an eligible property; and

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends approval of the amended Brownfield Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 51.54% to 48.46% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, asbestos abatement and infrastructure improvements as presented in the revised Work Plan dated June 26, 2019. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of \$6,871,450 for the principal activity costs of non-environmental activities and a contingency, and a maximum of \$30,000 for Brownfield/Work Plan preparation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$3,557,007.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager, to provide written notification to the Authority, in the form of a letter which incorporates the terms set forth in this Resolution and consistent with the limitations of the Act, and that this approval is further conditioned upon the Authority, or the City as appropriate, maintaining adequate records regarding: a) all taxes captured for the project; and b) receipts or other appropriate documentation of the cost of eligible activities. The records shall be made available for review upon request by MSF or MEDC staff.

BE IT FURTHER RESOLVED, that no taxes levied for school operating purposes shall be used to reimburse interest costs related to the eligible activities for the Project.

BE IT FURTHER RESOLVED, that all other provisions of Resolution 2007-93 are reaffirmed, and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

Ayes: Carl Camden, Jeremy Hendges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-120**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
THE MID AT 3750 WOODWARD PROJECT
AMENDMENT #2**

WHEREAS, the Michigan Economic Growth Authority (“MEGA”) has been established by 1995 PA 24, as amended (the “Act”);

WHEREAS, 2002 PA 727 amended 1996 PA 381, MCL 125.2651 et seq, to empower local brownfield redevelopment authorities to request the MEGA Board to approve a brownfield project work plan and, thereby, capture taxes levied for school operating purposes for the project;

WHEREAS, Executive Order 2012-9 transferred all the authority, powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations or other funds of the MEGA to the MSF;

WHEREAS, the MSF Board approved a Work Plan request for 3800 Woodward Avenue Project (the “Project”), by Resolution 2014-114 on July 22, 2014, and as amended on August 26, 2014 with resolution 2014-124, authorizing the Authority to capture taxes levied for school operating purposes based on a maximum of \$8,033,979 in eligible activities;

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the “Authority”) wishes to amend the scope of the Project by constructing an approximately 25-story tower that will include retail and event space, approximately 225 hotel rooms, and condominiums; a 27-story building containing 180 multi-family units and 5 levels of integrated parking; a 12-story building containing 198 co-living residential units and retail on the first two floors; and 2 single story cultural/arts buildings, and increasing the maximum amount for eligible costs;

WHEREAS, the Authority is requesting MSF approval to capture additional taxes levied for school operating purposes to provide for the reimbursement of the cost of eligible activities on an eligible property; and

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends approval of the amended Brownfield Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 47.93% to 52.07% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of site preparation, demolition, lead and asbestos abatement and infrastructure improvements as presented in the revised Work Plan dated June 21, 2019. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on costs of MSF eligible activities with a maximum of

\$58,301,654 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$15,000 for Brownfield/Work Plan implementation, and a maximum of \$15,000 for Brownfield/Work Plan preparation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$27,958,362.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager, to provide written notification to the Authority, in the form of a letter which incorporates the terms set forth in this Resolution and consistent with the limitations of the Act, and that this approval is further conditioned upon the Authority, or the City as appropriate, maintaining adequate records regarding: a) all taxes captured for the project; and b) receipts or other appropriate documentation of the cost of eligible activities. The records shall be made available for review upon request by MSF or MEDC staff.

BE IT FURTHER RESOLVED, that no taxes levied for school operating purposes shall be used to reimburse interest costs related to the eligible activities for the Project.

BE IT FURTHER RESOLVED, that all other provisions of Resolutions 2014-114 and 2014-124 are reaffirmed and the MSF authorizes the MSF Fund Manager to implement the terms of this resolution.

Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-121**

**THE MID AT 3750 WOODWARD PROJECT
MIDTOWN PROJECT, LLC
BROWNFIELD REDEVELOPMENT MBT CREDIT – AMENDMENT #3
CITY OF DETROIT**

At the meeting of the Michigan Strategic Fund (“MSF”) held on July 23, 2019 in Lansing, Michigan;

WHEREAS, the Michigan Economic Growth Authority (“MEGA”) is authorized by 1995 PA 24, as amended, to amend projects for brownfield redevelopment tax credits authorized by Section 437 of the Michigan Business Tax Act, PA 36 of 2007, as amended (the “Act”), or by former section 38(g) of the Michigan Single Business Tax Act, PA 228 of 1975;

WHEREAS, Executive Order 2012-9 transferred all the authority, powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations or other funds of the MEGA to the MSF;

WHEREAS, by Resolution 2010-029 on December 14, 2010, the MEGA Board awarded a Brownfield MBT Tax Credit to Woodward Offices, LLC (the “Applicant”) to make eligible investment up to \$50,000,000 at an eligible property in the City of Detroit (the “Project”);

WHEREAS, Section 437(9) of the Act allows approved projects to request an amendment to the Project if the Project is unable to be completed as described in the original application;

WHEREAS, a request has been submitted to amend the Project to reflect:

Phase I – Construction of an approximately 25-story tower that will include retail and event space, hotel space, and condominiums. The credit for this phase is capped at \$8,970,000; and

Phase II (Completed) – Redevelopment of an existing 12-story building into mixed-use space including 2,000 square feet of first floor retail and approximately 72 residential apartments on floors 2-12. The credit for this phase is capped at \$1,030,000; and

WHEREAS, no certificate of completion has been issued for the Project; and

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and recommends approval of the amendment by the MSF Board provided that the maximum credit amount does not exceed \$10,000,000;

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board amends the Project by modifying the scope of the Project to reflect:

Phase I – Construction of an approximately 25-story tower that will include retail and event space, hotel space, and condominiums. The credit for this phase is capped at \$8,970,000; and

Phase II (Completed) – Redevelopment of an existing 12-story building into mixed-use space including 2,000 square feet of first floor retail and approximately 72 residential apartments on floors 2-12. The credit for this phase is capped at \$1,030,000; and

BE, IT FURTHER RESOLVED, that 3750 Woodward Avenue, LLC is added as a qualified taxpayer.

BE IT FURTHER RESOLVED, that the Project is required to submit a Certificate of Completion request for the final phase within one year of project completion.

Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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Michigan Strategic Fund Office
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Lansing, MI 48913

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Dear Ms. Bishop:

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If you need anything additional, please contact Kara Kabia at (517) 241-2624.

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

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To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

**RESOLUTION
2019-122**

**APPROVAL OF A BROWNFIELD ACT 381 WORK PLAN
CITY OF DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY
SOMA REDEVELOPMENT**

WHEREAS, the Michigan Economic Growth Authority (“MEGA”) has been established by 1995 PA 24, as amended (the “Act”);

WHEREAS, 2002 PA 727 amended 1996 PA 381, MCL 125.2651 et seq, to empower local brownfield redevelopment authorities to request the MEGA Board to approve a brownfield project work plan and, thereby, capture taxes levied for school operating purposes for the project;

WHEREAS, Executive Order 2012-9 transferred all the authority, powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations or other funds of the MEGA to the Michigan Strategic Fund (“MSF”);

WHEREAS, captured school operating tax revenues may be used under 1996 PA 381 as amended, for infrastructure improvements that directly benefit eligible property, for lead, asbestos, or mold abatement, and for demolition and site preparation that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, the City of Detroit Brownfield Redevelopment Authority (the “Authority”) has submitted a work plan for property located at 81 Erskine Street, 115 Erskine and 3500 Woodward Avenue within the City of Detroit, known as SoMA Redevelopment (the “Project”);

WHEREAS, the City of Detroit is a “qualified local governmental unit” and is eligible to provide for a) demolition; b) lead, asbestos, or mold abatement; c) public infrastructure improvements; d) site preparation; e) brownfield and work plan preparation; f) brownfield and work plan implementation and g) interest as provided under 2007 PA 204; and

WHEREAS, the Authority is requesting MSF approval to capture additional taxes levied for school operating purposes to provide for the reimbursement of the cost of eligible activities on an eligible property; and

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends approval of the Brownfield Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, the MSF Board authorizes the Authority to capture taxes levied for school operating purposes in substantially the same proportion as 51.35% to 48.65% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of demolition and infrastructure improvements as presented in the Work Plan dated February 27, 2019. Any change in millage that increases the capture percentage of school taxes in the ratio above by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on the Brownfield Plan limiting total reimbursement to \$9,965,000 and costs of MSF eligible activities which

are estimated at \$17,862,722 for the principal activity costs of non-environmental activities and a contingency, a maximum of \$30,000 for Brownfield/Work Plan preparation, and a maximum of \$30,000 for Brownfield/Work Plan implementation, and with the capture of taxes levied for school operating purposes being limited to a maximum of \$5,117,028.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the MSF Fund Manager, to provide written notification to the Authority, in the form of a letter which incorporates the terms set forth in this Resolution and consistent with the limitations of the Act, and that this approval is further conditioned upon the Authority, or the City, as appropriate, maintaining adequate records regarding: a) all taxes captured for the project; and b) receipts or other appropriate documentation of the cost of eligible activities. The records shall be made available for review upon request by MSF or MEDC staff.

BE IT FURTHER RESOLVED, that no taxes levied for school operating purposes shall be used to reimburse interest costs related to the eligible activities for the Project.

Ayes: Carl Camden, Jeremy Hedges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

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Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

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Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC

MICHIGAN STRATEGIC FUND

RESOLUTION 2019-123

EVIGIA SYSTEMS, INC. REQUEST TO CONVERT LOAN

WHEREAS, Public Acts 215 and 225 of 2005 established the 21st Century Jobs Trust Fund initiative;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services for the Michigan Strategic Fund (“MSF”) for 21st Century Jobs Fund programs;

WHEREAS, the Strategic Economic Investment and Commercialization (“SEIC”) Board, the MSF and Evigia Systems, Inc. (“Evigia” or “Company”), entered into a 21st Century Business Plan Competition Loan Agreement, dated February 16, 2007, whereby the SEIC Board and MSF agreed to loan up to \$1,736,300 to Evigia under the terms and conditions set forth in the Convertible Loan Agreement, Security Agreement and Promissory Note (the “Note”), each dated February 16, 2007 (the Loan Agreement, Security Agreement, and Note, collectively, “Loan Documents”);

WHEREAS, pursuant to Executive Order 2010-04, the SEIC Board was abolished and all powers, duties, and functions of the SEIC Board were transferred to the MSF;

WHEREAS, the Loan Documents were amended on December 13, 2010 to extend the grace period from February 16, 2010 to February 16, 2011 and issue of warrants to the MSF to purchase \$170,000 worth of the Company’s capital stock, the actual type and number determined by the applicable of Financing Event, IPO or Liquidity Event;

WHEREAS, the Loan Documents were amended on July 8, 2011 to extend the grace period from February 16, 2011 to February 16, 2012 and increase the interest rate from 8.25% to 9.25%;

WHEREAS, the Loan Documents were amended on March 26, 2014 to 1) extend the grace period from February 16, 2012 to June 30, 2014; 2) reduce the Venture Financing Conversion Trigger from \$3.5 million to \$2.5 million; and 3) issue warrants to the MSF to purchase \$263,304 worth of the Company’s capital stock, the actual type and number determined by the applicable of Financing Event, IPO or Liquidity Event;

WHEREAS, the Loan Documents were amended on November 25, 2015 to extend the grace period from June 30, 2014 to June 30, 2017 and impose additional loan covenants capping executive compensation and prohibiting Evigia from paying any bonuses to employees or dividends to shareholders until the MSF loan is paid in full;

WHEREAS, on September 23, 2017, the MSF approved a forbearance through June 30, 2018 (the “Forbearance Term”);

WHEREAS, on May 22, 2018, the MSF extended the Forbearance Term to Decembers 31, 2018;

WHEREAS, as of July 1, 2019, the loan balance is \$4,026,022.71 (the “Indebtedness”);

WHEREAS, the Company has requested that the MSF convert the Indebtedness into 11,250 shares of the Company’s common stock and execute a profit sharing agreement under which the MSF would be entitled to annual payment of the greater of 1) 9.25% of the Company’s net income or 2) \$10,000 (the “Conversion Request”);

WHEREAS, the MEDC has reviewed the Conversion Request and recommends that the MSF Board approve the Conversion Request; and

WHEREAS, the MSF wishes to approve the Conversion Request.

NOW, THEREFORE, BE IT RESOLVED, the MSF approves the Conversion Request; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized negotiate all final terms and conditions and execute all documents necessary to effectuate the Conversion Request.

Ayes: Carl Camden, Jeremy Hendges, Larry Koops, Andrew Lockwood (on behalf of Treasurer Eubanks, designation attached), Amanda Bright-McClanahan (on behalf of Chairman Mason, designation attached), Terrence J.L. Reeves, Terri Jo Umlor, Wayne Wood

Nays: None

Recused: None

Lansing, Michigan
July 23, 2019



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 26, 2019

Ms. Rhonda Bishop
Board Relations Liaison
Michigan Strategic Fund Office
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee for Treasurer Eubanks

Dear Ms. Bishop:

I hereby designate Andrew Lockwood to attend all Michigan Strategic Fund meetings that I am unable to attend in 2019.

If you need anything additional, please contact Kara Kabia at (517) 241-2624.

Sincerely,

A handwritten signature in blue ink that reads "Rachael Eubanks".

Rachael Eubanks
State Treasurer

Cc: Eric Bussis
Andrew Lockwood

July 18, 2019

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amanda Bright McClanahan

To Whom It May Concern:

Pursuant to MCLA 16.51, I hereby confirm my designation of Amanda Bright McClanahan as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund board for scheduled meetings I am not unable to attend.

Sincerely,



Jeff Mason
President & Chairman, MSF
Chief Executive Officer, MEDC